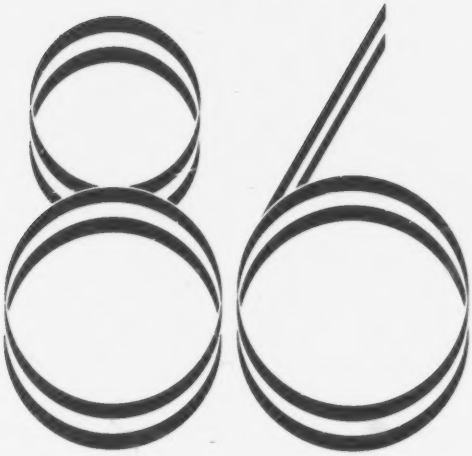
A9350-2U 7/86

USL
UNITED STATES LEAGUE of SAVINGS INSTITUTIONS



Savings Institutions SOURCEBOOK

UNITED STATES LEAGUE OF SAVINGS INSTITUTIONS
Headquarters: 111 E. Wacker Dr., Chicago, IL 60601
Washington Office: 1709 New York Ave., N.W., Suite 801,
Washington, DC 20006

Quotation from this publication is permitted provided
that credit is given to the publisher and to the source.
©1986 United States League of Savings Institutions.
Printed in the U.S.A.

United States League of Savings Institutions

The primary function of the United States League is to serve the savings institutions business and the public interest by furthering thrift and homeownership. Organized more than 90 years ago, the League is regarded as one of the finest trade associations in the country. This reputation stems from a broadly based program having the following objectives: the support of thrift promotion; the encouragement of private investment in the purchase of homes; the development of safe, efficient operating methods for member institutions; and the improvement of statutes and regulations affecting the savings institutions business and the public interest.

The United States League currently has 3,800 members. Located in every state, the District of Columbia, Puerto Rico, the Virgin Islands, Guam and other western Pacific areas, these members represent approximately 99% of total savings and loan assets, as well as many savings banks, state leagues and other savings institution-related organizations. The League is the recognized organization through which members—large and small, across the nation—exchange experience and knowledge, thus elevating the standards and services of individual institutions and the business as a whole.

Closely affiliated with the League are several organizations whose specialized services are important to members and the entire savings institutions business:

The Institute of Financial Education is the educational and professional arm of the business. It sponsors 252 chapters having a total membership of 55,000 savings institution employees. It also offers correspondence courses to employees and current enrollments stand at approximately 13,000. Resident schools and workshops are conducted at major universities. The Institute has a wide array of audiovisual training programs and seminar offerings. It also provides assistance to institution management in the areas of human resource development and strategic planning.

USL International provides technical assistance to housing finance institutions throughout the world.

SAF Systems and Forms is a specialized source of internal operations information, forms, franchise funds transfer systems and other services designed exclusively for financial institutions. Income from the operations of SAF goes to further the educational service of The Institute and to finance research in savings institution operations.

The Advertising Division, Inc., is a self-sustaining affiliate that develops advertising and promotional materials for use by member institutions, including envelope stuffers; newspaper ads; radio spots; counter literature and lobby display materials; calendars; and *HOME LIFE*, a customer-contact publication. Also, through its Advertising Agency Group it provides full advertising agency service to savings institutions on a market-exclusive basis.

The Financial Managers Society, Inc., is a national professional organization whose members are chief executive officers, treasurers, controllers, auditors and information systems managers employed by financial businesses. It has 62 chapters, which sponsor programs on portfolio and cash management, automation, asset and liability management, auditing, stock conversions, mergers, accounting and taxes. This information is also available to FMS members via workshops, conferences and publications.

The Financial Institutions Marketing Association, formerly the Savings Institutions Marketing Society of America, is a professional society for marketing management and professionals in financial services. The Financial Institutions Marketing Association offers a full program of regional seminars and schools in addition to its annual marketing conference. It also publishes regular and special publications on all aspects of marketing. Its 1,750 members include some 200 chief executive officers.

CONTENTS

5 THE SAVINGS INSTITUTIONS BUSINESS

15 FEDERAL GOVERNMENT AGENCIES

21 SAVINGS DATA

27 MORTGAGE LENDING DATA

39 HOUSING DATA

45 SAVINGS INSTITUTION OPERATIONS DATA

56 FEDERAL GOVERNMENT AGENCY DATA

69 GLOSSARY

75 INDEX

PREFACE '86

This is the third edition of the *Savings Institutions Sourcebook,* an annual publication of the United States League of Savings Institutions. The new *Sourcebook* continues the major data series that appeared annually in its predecessors, the U.S. League's *Savings and Loan Sourcebook* and *Savings and Loan Fact Book*. To complement these long-running series of savings association data, the *Savings Institutions Sourcebook* presents a full range of savings bank facts and figures as well.

These data are grouped by subject area: savings, mortgage lending, housing, savings institution operations and federal government agencies. A short text explains the basics of the savings institutions business and the role it plays in thrift and homeownership. Finally, a glossary of key terms and a comprehensive index assist *Sourcebook* users in locating the information they are seeking.

The *Sourcebook* is distributed to U.S. League member institutions, educators, school and public libraries, financial writers and editors, members of Congress and other government officials, chambers of commerce and home builders. Copies may be obtained from the United States League of Savings Institutions, 111 East Wacker Drive, Chicago, Illinois 60601.

The League is indebted to the many organizations and agencies that cooperated in providing data for the 1986 *Sourcebook*. No effort has been spared to provide the reader with the most accurate and complete data possible within the constraints of the schedule dictated by the book's regular mid-year publication date.

Diana S. Cheseldine, *Sourcebook* Editor
Senior Research Associate
Research Department

The Savings Institutions Business

Savings institutions—savings associations and savings banks—perform a vital function in the American economy. They link consumers who have funds to save or invest and those who want to borrow. They accept savings deposits from the public, then use these funds to make various types of investments. Most of these investments are in residential real estate mortgages, and particularly in home mortgage loans.

Savings institutions are specialized but extremely important members of a class of institutions known as financial intermediaries. This classification includes such diverse organizations as commercial banks, life insurance companies, credit unions, and finance and investment companies. As a group, they offer investors and savers a wide variety of financial options and make funds available to borrowers for a broad range of purposes.

At one time, savings associations and savings banks were distinctly different types of institutions with unique purposes and forms of operation.

Today, however, these distinctions have largely disappeared. A convergent trend first appeared a number of years ago, and the Garn-St Germain Depository Institutions Act closed most of the remaining gaps when it was enacted in October 1982.

Among many other distinction-blurring provisions, the Garn-St Germain Act authorized savings associations to convert easily to savings bank form, and vice versa. Other important similarities—and the remaining distinctions—are discussed in this text under specific subject headings.

Chartering and Supervision

Like the commercial banking system, the savings institutions business has a dual federal-state system of chartering and supervision. State institutions are chartered under state statutes, and are supervised and examined by their respective state authorities. Federal institutions are chartered under federal law and are subject to the supervision of the Federal Home Loan Bank Board.

Only about one-third of the states presently charter savings banks, and the majority are concentrated in New England, New York and New Jersey. Savings associations, on the other hand, are chartered by all 50 states, the District of Columbia, Guam and Puerto Rico. Federal charters may be issued to an institution headquartered in any state or similar political subdivision.

Savings institutions are privately owned and operated organizations. The development of policy for the conduct of business at the individual institution is the responsibility of a board of directors (or trustees, as they are called at some savings banks) made up of local citizens.

Like many other financial intermediaries, however, savings institutions work within a comprehensive framework of special state and federal laws and regulations. The laws set general standards for the chartering of new institutions, govern operating practices, and control the kinds

of loans and other investments that can be made. Supervisory agencies establish more detailed regulations governing operating procedures.

In order to protect the public interest, the appropriate supervisory agencies periodically examine the savings institutions under their jurisdiction to assure compliance with applicable laws and regulations.

Insurance of Accounts

Federal savings associations are required by law to have their savings accounts insured by the Federal Savings and Loan Insurance Corporation. Insurance of accounts is optional for many state-chartered institutions, but the overwhelming majority afford their savers this protection. Some federally chartered savings banks also belong to the FSLIC.

The Federal Deposit Insurance Corporation was the only federal insuring agency for savings banks until the passage of the Garn-St Germain Act, and the majority of savings banks still are insured by the FDIC.

FSLIC- and FDIC-insured institutions pay a regular insurance premium or assessment for deposit protection. In addition, they must comply with a body of regulations governing their operations.

State insuring funds to protect savers' deposits have been set up under special statutes in several states. Savings banks may belong to both the FDIC and a state fund; the state fund insures excess deposits over the FDIC's $100,000 maximum. Savings associations, on the other hand, may not maintain such dual memberships.

In 1985, the financial problems of a number of privately insured institutions in Ohio and Maryland brought about the collapse of private insurance funds established in both of these states. As a result, privately insured institutions in Ohio, Maryland and other states began seeking the protection of the federal insurance umbrella. Virtually all states now require savings institutions to federally insure their deposits.

Ownership

Savings institutions either are mutually owned or have some form of permanent stock ownership. Mutual institutions issue no capital stock. They are owned by their members—the savers and borrowers—who are entitled to vote on business issues.

Stock institutions, in contrast, issue capital stock similar to that of other corporations. It can be bought and sold by investors, confers voting rights and may earn dividends.

Until the 1970s, only state-chartered savings associations were allowed to operate under the stock form of organization. Today, however, existing federal associations may freely convert to stock form and new federals may begin operations under a stock charter.

State-chartered savings banks are nearly all mutual in form, though a few have converted to stock form in the last three years. Federal savings banks may select either a mutual or a stock charter when they are organized or when they convert to federal status.

The Savings Picture

Savings deposits are the major source of funds for savings institution lending. For the business as a whole, deposits represent about 80% of all liabilities—what these institutions owe to others.

Many factors influence the ebb and flow of savings funds, including economic conditions, consumer behavior, supervisory agency regulations, competitive conditions, and the individual institution's savings portfolio structure and business techniques.

Despite the rise of powerful new competitors—many operating without the restrictions placed on insured depository institutions—savings institutions continue to attract funds in a deregulated savings environment. But while total deposits at savings institutions in 1985 were a record $844 billion, up from $785 billion in 1984, Americans saved only 4.6% of their disposable incomes in 1985—much less than the usual rate. As a result, savings institutions lost a net $4.3 billion in deposits in 1985, after attracting $56.9 billion in new money in 1984.

Savings Deregulation

The single most important factor changing the savings picture in recent years has been deregulation.

In the 1960s, savings institutions and commercial banks became subject to thorough regulation of the kinds of deposit plans and terms they could offer. In essence, this body of regulations gave every institution the same product line, except that savings institutions could pay ¼ of 1% more than banks on most classes of accounts. This differential in favor of thrift institutions was intended to help them attract funds for housing, since they could not offer the full range of consumer financial services that banks could.

These savings account regulations both simplified savings choices for consumers by limiting options, and prevented rate wars among depositories. During the 1970s, however, consumers increasingly reacted to limited choices and controlled rate ceilings by moving their funds out of depository institutions into alternative, unregulated intermediaries and direct market investments.

The regulators dealt with these problems by authorizing a greater variety of accounts, raising ceilings on some accounts and tying the ceilings on others to market indicators such as Treasury obligations. Consumers responded by moving an unprecedented amount of money at an unprecedented rate into some of the new accounts.

In 1980 the power to set interest rate ceilings and authorize new types of accounts was shifted from the individual federal banking and thrift regulatory agencies to the Depository Institutions Deregulation Committee. Its overall mission was to phase out interest rate ceilings and most other savings account regulations.

On October 1, 1983, the DIDC removed rate ceilings and minimum balance requirements for all new accounts with maturities of more than one month. At the same time, it reduced early withdrawal penalties and eliminated most other savings account regulations.

On January 1, 1984, the ¼ of 1% thrift institution differential was ended. This equalization of rates had been mandated by the Garn-St Germain Act of 1982, which also granted savings institutions broad new powers.

On January 1, 1985, the remaining savings account minimum balance requirements were lowered to $1,000. On January 1, 1986, these minimums were phased out altogether. Three months later, on March 31, the last interest rate ceilings (on passbook accounts) were phased out and the DIDC went out of existence.

Types of Accounts

Savings institutions offer many different types of deposit plans. Most no longer remain subject to rate controls.

Passbook, regular or *ordinary accounts* permit any amount to be added to or withdrawn from the account at any time. No minimum balance is required by regulation, although the institution may set a minimum needed to avoid a service charge or earn interest. Interest rate ceilings on passbook accounts were removed on March 31, 1986.

NOW (negotiable order of withdrawal) accounts function like checking accounts but earn interest at a rate set by the institution. NOWs may contain the funds of individuals and public units but not businesses.

Money market deposit accounts carry a monthly limit of six preauthorized transfers to other accounts or persons. However, they do not require a minimum balance and have no rate ceiling.

Certificate accounts with terms of seven days or more do not require a minimum balance. Rates are set by the institution. Institutions may decide whether to apply an early withdrawal penalty before the expiration date.

Earnings-based accounts are savings instruments that tie part of the interest payment to the return on earmarked assets that are under the control of the institution.

Notice accounts are the equivalent of certificate accounts with an indefinite term. Savers agree to notify the institution a specified time before withdrawal. Insti-

tutions may decide what, if any, withdrawal penalties to impose.

Club accounts help people to save regularly for Christmas, vacation, income tax payments or similar goals. Regular deposits each payday and once-a-year payouts characterize these accounts, which may earn up to the passbook rate.

School savings plans and *children's savings clubs* are specifically geared for children and young people to help them develop the habit of saving regularly. Deposits may be collected at the school rather than at the institution's offices, and many typical rules and procedures may not apply to such accounts.

Individual retirement accounts and *Keogh accounts* are not types of savings accounts. Rather, IRA and Keogh funds may be invested in any account, most often a high-rate certificate. IRA and Keogh plans are a form of retirement savings in which the funds deposited and interest earned, up to legal limits, are exempt from income tax until they are withdrawn after retirement

Checking accounts or *demand deposits* are offered by some savings institutions under some circumstances. Federals may offer them to business customers with whom they have a loan relationship. State savings banks in some jurisdictions may offer both business and personal checking. No checking account may earn interest.

Other Services

At one time, most savings institution services were directly related to the savings and lending functions.

On the savings side, traditional related services include travelers checks, money orders, safe deposit boxes and payroll deduction plans. Newer savings services include automated teller machines that accept deposits and dispense cash 24 hours a day, transaction facilities in supermarkets and other stores, telephone transfers, electronic funds transfers, and preauthorized deposits and payments.

On the lending side, related services include home planning consultation, home buying seminars and sometimes debt management counseling.

In seeking to become full service consumer financial centers, savings institutions in recent years have been moving into new financial service areas as laws and regulations permit.

Some savings institutions have set up trust departments offering a full range of personal trust services, including the writing of wills, and estate planning and management. Others offer brokerage services, including buying and selling stocks, bonds and similar securities.

Traditional savings banks in Connecticut, Massachusetts and New York have offered individual and group life insurance plans for many years. The policies are issued by statewide affiliated organizations chartered specifically to provide this coverage.

Credit and debit cards are yet another newer financial service. The credit cards issued most often are those of major national organizations—American Express, MasterCard and Visa. Debit cards may also carry the same brand names; they allow the saver to tap an account at the institution for a purchase instead of running up a bill.

Another service that federal savings institutions may offer since the Garn-St Germain Act is leasing of consumer products such as furniture, automobiles and manufactured (mobile) homes.

Homeownership and Home Financing

Widespread homeownership is one of the distinctive characteristics of American society. Almost 55 million homes—nearly two-thirds of all residential units in the United States—are owner-occupied.

Building, buying and maintaining the more than 84.6 million owned and rented housing units in the U.S. account for hundreds of billions of dollars annually. Housing is a major force in the economy, by any measure. Private residential construction in recent years has accounted for 2.5% to 3.8% of GNP. Residential mortgage loans are one of the major forms of credit in the United States, exceeded only by the federal debt at year-end 1985.

Savings institutions are the single major source of residential credit. At year-end 1985 the mortgage portfolios of associations and savings banks accounted for 38.5% of all residential loans outstanding.

In the private sector (excluding U.S. government and federal agency holdings), they held 55.7% of the total.

As a whole, the savings institutions business holds more than 60% of its total assets in mortgage loans. Savings associations are the more specialized, with about 62% of all funds invested in mortgages. Savings banks, with a traditionally broader investment authority, hold over 54% of their funds in mortgages. No other types of financial intermediaries come close to allocating this large a proportion of their funds to the financing of real estate.

The Mortgage Market

Mortgage lending by savings institutions reached all-time record levels in 1985. The combined total of loans closed and purchased by savings associations and savings banks reached more than $275 billion last year.

During the early 1980s, high interest rates and recessionary conditions in the nation's economy severely reduced the amount of loanable funds and the demand for mortgage loans. As the economy recovered, savings funds flowed back into thrift institutions and activity resumed in the housing market.

Inflows generated by mortgage loans outstanding at savings institutions—regularly scheduled repayments; unscheduled prepayments and payoffs; and sales of loans, participations and mortgage-backed securities to investors—also reached record levels in 1985. This too was due to the general economic recovery, with its favorable impact on the housing construction and resale market, and investors' renewed interest in the returns offered by mortgages and mortgage-backed securities.

The mortgage portfolio turnover ratio expresses inflows as a percentage of the average portfolio over the year; it is a measure of portfolio activity.

At FSLIC-insured savings institutions, the turnover ratio climbed to more than 34% last year, an exceptionally high rate. Two factors combined to push the ratio upward: record sales of loans and loan-based securities from the existing portfolio; and a high rate of repayments and payoffs, fueled both by a resurgence of activity in the housing market and by borrowers' desire to repay high rate loans made during the credit crunch of 1979-82.

Savings banks, on the other hand, experienced a much more modest 15.1% turnover ratio in 1985. In part, the lower savings bank ratio reflects these institutions' geographic concentration in the northeastern United States, where the housing market is less active than in growth areas such as the Sunbelt.

Also, savings banks are much less active in the secondary market than are associations.

Generally, strong portfolio inflows are considered desirable since they support a high volume of new lending. This level of activity permits institutions to restructure their portfolios more quickly into newer types of loans, as well as bringing in welcome income from loan origination fees.

Types of Mortgages

Savings institutions offer a broad range of mortgage options to help their customers meet their home financing needs. Mortgages may be conventional—i.e., not insured or guaranteed by a government agency—or made under a variety of government-sponsored programs. Private mortgage insurance also may be used on conventional loans to reduce risk.

Although many institutions continue to offer the traditional fixed rate, fixed term mortgage loan, most are also moving strongly into the area of alternative mortgage instruments. Estimates of the number of distinct types range from 40 to nearly 100.

These newer mortgage plans give consumers a range of options. Graduated payment mortgages have monthly payments that increase periodically at a predetermined rate during the early years of the loan. This helps younger home buyers who anticipate rising incomes. Another version, growing equity mortgages, applies the increased payments to principal, thus building the borrower's equity in the home and paying off the loan more quickly than a traditional mortgage.

Balloon loans are written for terms such as three or five years. They call for regular

monthly payments and one large (balloon) payment at maturity. The lender may guarantee renewal.

Many of these and other types of alternative mortgage instruments written by savings institutions today provide for periodic interest rate adjustments. The amount or number of payments, or both, may change to accommodate these interest rate ups and downs. The frequency and amount of increases usually are limited, while decreases often are not.

This assures people who borrow when market rates are high that the rate they must pay initially will decline if the market rate does. It also means that people who borrow when rates are down pay the lowest possible rate; the lender does not have to build in a higher rate as a hedge against possible future increases in the market. Regulatory safeguards protect the borrower's interests.

Adjustable rate loans are a comparatively recent development in the mortgage market. And they came into widespread use only with the 1983 resurgence of the market. ARMs are central to most portfolio restructuring efforts. When savings rate deregulation began, ARMs were being made in only a few areas of the country. Today, ARMs are an established part of the home finance market. Despite a drop in interest rates, which increased the demand for fixed rate mortgages, the business had more than 41% of its residential mortgages in ARMs by year-end 1985.

In addition to home purchase and home construction mortgage loans, savings institutions make a smaller number of loans on apartments and on commercial and other nonresidential real estate.

Secondary Market

The secondary mortgage market is the aggregate buying, selling and trading of existing mortgage loans and mortgage securities. Investors may buy whole loans, participations (ownership shares in a group of loans) or a variety of mortgage-backed securities.

Mortgage holders may set up pools by packaging FHA, VA or conventional mortgages, and issuing securities that represent shares in the package. The creator of the pool continues to collect payments from the borrowers. Some securities pass borrower payments through to investors monthly, in effect setting up a flow of principal and interest repayments with unpredictable maturity. Collateralized mortgage obligations, on the other hand, pay off one class of investors in an issue before moving to the next higher maturity class, thus affording some investment predictability.

Also, the securities may be guaranteed by the Government National Mortgage Association or partially insured by a private mortgage insurance company.

Institutional lenders such as savings associations and savings banks buy loans and securities in the secondary market when they have available funds that they cannot invest in new mortgages locally or when they wish to diversify their portfolios. Investors that do not have mortgage origination or servicing facilities also use the secondary market to acquire loans.

Correspondingly, lenders that wish to free funds from their existing portfolios sell loans, participations or securities. In times of high interest rates, sellers generally prefer to issue securities. This permits them to use old, low-rate loans to raise new funds without having to sell them at a discount.

Federal housing and mortgage credit agencies operate primarily in the secondary market; they generally are net purchasers. In the private sector, mortgage companies usually dominate the selling side, while savings institutions normally are the largest buyers of loans.

Recently, savings institutions also have become more interested in originating mortgage loans for subsequent sale to investors such as pension funds and insurance companies.

Other Loans

Besides mortgage loans, savings institutions make a variety of other loans to consumers. These advances are made for purposes such as mobile home and automobile purchases, home remodeling and improvements, education expenses and credit card purchases.

Most of these consumer loans are secured by liens on personal property or

simply by the borrower's general creditworthiness. Savings account loans, however, are secured by cash on deposit with the financial institution, usually in a certificate account from which the saver does not want to withdraw until maturity.

Savings associations hold about 4% of their total assets in all types of nonmortgage loans, while the savings bank figure is about 12%.

The Garn-St Germain Depository Institutions Act of 1982 further expanded savings association lending powers in the areas of consumer, commercial and agricultural lending. Traditional savings banks in some jurisdictions have had these powers for years.

While savings institutions now can make a variety of new types of loans to better serve their customers and their communities, most will remain primarily real estate lenders. The track record of traditional savings banks, which have had diverse investment powers for years, demonstrates this continued emphasis on mortgage lending. Financing housing has been the basic business of savings institutions for more than 150 years, and that expertise cannot be ignored.

Other Investments

Traditional savings banks typically have much broader investment powers than do savings associations, although their authorizations vary somewhat from state to state.

The greatest share of these investments is in stocks, bonds and other debentures. As a whole, the savings bank business holds more than 11% of its assets in the stocks and debt obligations of corporations, railroads and utilities.

Savings association investment powers were greatly expanded by the 1982 Garn-St Germain Act. Since most implementing regulations were not issued until well into 1983, however, these newer investments are not yet major items on most association balance sheets.

Balance Sheet

The balance sheets of the savings association and savings bank businesses to some extent reflect their differing histories and statutory powers. More significant, however, are the marked similarities between the two statements of condition, similarities that underline the unity of the savings institutions business.

The principal liability of savings institutions is savings deposits, the funds entrusted to them by savers and thus owed to those savers.

For savings banks, savings deposits in recent years have made up about 85% of total liabilities, while the percentage for associations has hovered around 80%. In contrast, associations make much heavier use of borrowed funds than do savings banks—14% or more versus less than 5% of total liabilities—to maintain their lending programs.

Another key item on both balance sheets is net worth or general reserves, the earnings retained over the years to cushion operating losses.

On the asset side of the balance sheet, the major item is mortgage loans, representing the money owed to savings institutions by builders and buyers on loans secured by real estate. This balance sheet structure points up the basic function of savings institutions as financial intermediaries serving savers and home buyers.

Liquidity

Cash and the government security and investment portfolio of savings institutions represent a major asset classification. All prudent depository institutions hold some liquid investments to ensure that funds are available to meet any sudden increase in deposit withdrawals. Any liquidity regulations for state-chartered savings institutions that are not members of the FSLIC or the FHLB System are set by state authorities. All other savings institutions—the vast majority—are subject to the FHLBB's liquidity rules for FHLB System members.

In these regulations, the Bank Board specifies two minimum levels of liquid assets—overall holdings and a smaller percentage of short-term investments.

The Bank Board is empowered by law to vary the overall liquidity ratio between 4% and 10%. The base against which mandated liquidity ratios are computed is composed of withdrawable savings deposits and borrowings repayable on demand or in one year or less. These numbers are the denominator in the computation. Qualifying investments are the numerator.

Liability Reserves

On the liability side of the balance sheet, reserves are funds set aside over the years to cushion depositors against any losses on loans or other investments. Savings associations and federal savings banks tend to use the term "net worth" to describe liability reserves, while traditional savings banks more often use the term "general reserves."

Regulatory authorities establish minimum required levels of liability reserves for the institutions they oversee, as well as specifying the exact balance sheet items that may be counted toward the total.

The FHLBB's requirements for FSLIC-insured savings institutions, effective March 31, 1985, govern the largest single group of savings institutions. These rules call for an institution to meet a net worth level each quarter that is computed from a combination of (a) the last year's requirement, (b) an adjustment factor related to the rules changeover, (c) the institution's growth rate and (d) a percentage of higher risk assets.

The items that FSLIC-insured institutions may count toward net worth include: all liability reserve accounts (except specific and valuation reserves), common and preferred stock, retained earnings and undivided profits, appraised equity capital, equity securities, mutual capital certificates and subordinated debt securities issued in conformity with strict regulations, income capital certificates, and net worth certificates.

Appraised equity capital is the amount by which the value of a savings institution's assets, such as its office buildings, exceeds the item's book value.

Income capital certificates are FHLBB certificates that are agreements to pay back a corporation's loan, plus interest, when and if an association in financial difficulty gets into a better position. Payments are installments and are always less than the association's net income.

Mutual capital certificates and *subordinated debt securities* are forms of debt that have the characteristics of equity securities because of their long terms and because they give the investor a residual repayment claim similar to that of an owner, not a depositor or other creditor of the institution.

Net worth certificates are a form of capital assistance from the FSLIC and FDIC to institutions that are having trouble meeting net worth requirements. This emergency aid plan was created by the Garn-St Germain Act in response to the severe earnings pressures that some depository institutions experienced in the 1980-1982 recession. Congressional legislation kept this program temporarily in force beyond its scheduled expiration date in October 1985.

Under this plan, the institution with a net worth deficiency issues net worth certificates, which, after being exchanged for FSLIC or FDIC promissory notes, are counted toward net worth. Certain eligibility requirements apply, and the institution must agree to specified conditions in order to receive capital assistance. The institution redeems its net worth certificates as it returns to profitability; the insuring agencies must pay out on their notes only if the institution fails.

Asset Reserves

On the asset side of the balance sheet, reserves are funds set aside against certain types of deposits. These reserves must be in the form of nonearning deposits at a Federal Reserve Bank and cash on hand at the institution.

The required level of asset reserves is based on the total of transaction accounts (NOW, checking and other third-party payment accounts) and nonpersonal time deposits (savings accounts not owned by natural persons). Certain other sources of funds also may be included.

Asset reserves have been required for Federal Reserve member commercial

banks for many years; the 1980 deregulation act authorized the Fed to set asset reserve requirements for other types of depository institutions as well.

Operations Framework

Savings institutions operate within a comprehensive framework of state and federal laws and regulations. These rules set the requirements for the chartering of new institutions, govern operational practices, and describe the kinds of instruments that may be used to borrow money and the permissible loans and other investments for those funds.

For many years, regulations grew almost constantly in number and complexity as the authorities spelled out the permitted activities and required safeguards in each new sphere of operations that savings institutions were authorized to enter.

Now, however, the trend is toward fewer and less explicit regulations. This allows individual institutions far more operating discretion in tailoring their services to the needs of their marketplace and the particular competitive situation they face.

Savings flows and mortgage lending volume are affected by legal and regulatory constraints, and by the economic environment. The radical shifts in monetary conditions during the last 20 years have had far-reaching effects on the operations of savings institutions. The balance sheets and income statements of both associations and savings banks reflect the pervasive forces of change.

Many factors must be reconciled in order to produce a sound savings institution. Decisions on such matters as products offered, liquidity, the use of borrowed funds, income and expense, and personnel must all be made in a manner that will maximize the consumer financial services offered to the community. The overriding consideration at all times, of course, is the soundness of the institution.

Income and Expense

Mortgage loans are by far the most important source of savings institution earnings, while the largest use of income is the payment of interest to savings account holders.

Interest and fees on mortgage loans accounted for more than 67% of the operating income of associations and more than half of operating income for savings banks in 1985. Interest on investments—primarily liquidity holdings in the case of FHLB System member institutions—accounted for another 10.6% of association income and nearly one-third of savings bank income.

The greatest expense of both savings associations and savings banks was interest on savings deposits and borrowed money, about 80% of all expenses for both types of institutions.

Trailing far behind the funds allocated to savers were the operating expenses of savings institutions. The ratio of operating expense to operating income has undergone a substantial decline over the years, due to increases in operating efficiency. Salaries and wages are the principal operating cost, accounting for more than 40% of current operating expenses in 1985.

The net income of savings institutions is the balance remaining after all operating expenses, interest on savings deposits and borrowed money, income taxes, and the difference between nonoperating income and nonoperating expenses are deducted from current income.

Tax Laws and Savings Institutions

For many years, savings institutions were exempt from federal corporate income tax. The first application of federal tax laws came in 1952, although relatively little tax was paid. In 1962 the law was changed to produce larger tax revenues, while in 1969 the tax provisions for savings institutions began a 10-year phase-in to what is essentially their current status.

The main special feature of the Internal Revenue Code for savings institutions is the availability of a special tax deduction for additions to reserves for bad debt losses. Presently, savings institutions may set aside up to 40% of their taxable income as provision for bad debts.

When earnings are strong, this deduction may be substantially larger than the credit losses actually experienced. However, any such excess is subject to the

minimum federal tax on so-called preference items. Furthermore, the reserves built up by the use of this special bad debt deduction may not be distributed to depositors or shareholders without triggering a tax penalty on the payout.

To qualify for the use of the deduction for additions to reserves, a savings institution must pass an asset composition test, which basically requires that at least 60% of assets must be in housing-related investments or in U.S. government or agency securities.

To obtain the full 40% of taxable income deduction, an institution with a savings and loan charter must have at least 82% of its total assets in these investments. For each 1% by which its assets do not meet the 82% level, the association loses 0.75% of the bad debt deduction. Savings banks, because of the slightly different history of their asset authorities, need hold only 72% of their assets in qualifying investments. However, they lose 1.5% of their bad debt deduction for every 1% by which their assets fall below the 72% benchmark.

Because of this special bad debt deduction, savings institutions cannot take full advantage of certain other tax-saving provisions in the revenue code—the 10% investment tax credit, the 85% dividends received exclusion and the full charitable contribution deduction. These other benefits are lost whether or not the institution actually uses the special bad debt deduction.

The final major distinguishing feature of the tax code for depository institutions, which has been of great significance in the last few years, is the special rule on net operating loss carryovers.

The lending business has a potential for unforeseen, substantial losses. This was recognized by the 1969 tax law, when depository institutions first were permitted to use a longer operating loss carryover period than were other corporations. The 1981 tax act increased the general carryover period but did not change the depository institution provision. Today, the carryover period of five years for these institutions is much shorter than the 15-year period permitted generally. Attempts are being made to correct this discrepancy.

Net Income

About 90% of all savings institutions made a profit last year. Assets grew to a record $1.07 trillion, up from $978 billion at the end of 1984. Mortgage lending reached an all-time high of $196.5 billion, surpassing the previous record of $181 billion set in 1984.

Record earnings in 1985 increased the business' net worth to its highest level ever, $46.8 billion, up from $38 billion at year-end 1984. This surge in earnings was accompanied by a higher return on assets, which rose from 21 basis points in the first quarter to 44 basis points in the fourth quarter. The modest recovery in 1983 and 1984 was hastened in 1985 by a widening spread between income from outstanding loans and the cost of funds.

Low inflation and stable or declining interest rates should result in another banner year for savings institutions in 1986.

When interest rates are high, market-rate savings accounts attract large volumes of funds. The institution's cost of savings rises very quickly. These high rates must be paid or savings will flow to other institutions and other types of investments. At the same time the interest rate on most other sources of funds also soars.

As recently as the 1980-1982 crunch, most of the savings institution mortgage portfolio still was tied up in long-term, fixed rate mortgages that turn over very slowly. Periods of high interest rates slow portfolio turnover further, as people defer home construction and purchases until rates decline. The rate of return on the portfolio increases only slowly under such conditions.

The record level of mortgage lending by both savings associations and savings banks in 1983-1985 helped portfolio earnings with current rate loans and loan origination fees. This also was the first time that savings institutions were able to move strongly into the broad spectrum of alternative mortgages authorized at the start of

the decade. In the future, periods of high interest rates will have less of an adverse impact on savings institution earnings than they did in the early 1980s.

The business' return to profitability also is letting institutions move aggressively into the new areas authorized by a variety of legislation and regulations. Some of these newer authorizations are consumer leasing, commercial lending, trust services and credit card issuance.

The basic structure and financial position of the savings institutions business is sound. Recent expansions of powers have improved future earnings prospects and will increase the capacity of the business to avert future earnings crunches of the 1980-1982 magnitude.

There is no doubt that millions of savers will have funds to invest and millions of borrowers will want to finance home-ownership and other basic family needs. Savings institutions have grown to a $1 trillion business by specializing for more than 150 years in meeting these needs. Their new powers can only help them to do an even better job for the American public.

Federal Government Agencies

The FHLB System

The Federal Home Loan Bank System was created in 1932 to provide a central credit facility for the nation's home financing institutions. The System links mortgage lending institutions to the capital markets by issuing consolidated obligations and discount notes in large denominations. The System also serves as a source of secondary liquidity to its members in meeting heavy or unusual withdrawal demands.

All FSLIC-insured savings institutions are required by law to belong to the FHLB System. Membership is open on a voluntary basis to qualified state-chartered savings associations, savings banks and life insurance companies.

The FHLB System is organized in a manner similar to the Federal Reserve System. It is composed of the Federal Home Loan Bank Board, the 12 regional Federal Home Loan Banks and the member institutions.

Total assets of the System stood at $112.2 billion at year-end 1985. The System also had total capital of $10.1 billion, consisting of $8.3 billion in paid-in capital and the balance, $1.8 billion, in its legal reserve, dividend stabilization reserve and undivided profits.

In the supervisory area, the Bank Board has decentralized its examination functions to the 12 Federal Home Loan Bank districts and has significantly expanded its examination and supervisory personnel and compensation. These steps are being encouraged by the business and paid for entirely through examination fees assessed on the business.

The FHLB Board

The Board has three members, appointed for four-year terms by the President with the consent of the Senate. No more than two members may belong to any one political party.

The Board, located in Washington, D.C., governs and regulates the Bank System. It is the chartering and regulatory authority for federal savings institutions. It also governs the Federal Savings and Loan Insurance Corporation and the Federal Home Loan Mortgage Corporation.

The Board is an independent agency in the executive branch of the government and submits an annual report to Congress. Its expenses are all met through assessments on the regional Banks and the FSLIC, and examination fees. None of the Board's expenses are paid out of public funds.

The District FHLBs

The district Banks carry out the functions of the System in its dealings with

member institutions. Although they are instrumentalities of the federal government, they are wholly owned by their member institutions.

Each Bank has its own staff and board of directors. Each board is composed of six public interest directors appointed by the FHLBB for four-year terms, plus an additional number of directors elected for two-year terms by member institutions.

The regional Federal Home Loan Banks serve as central credit banks for member institutions and have no direct contact with the public except through the sale of consolidated obligations. Member institutions transact their business through the Bank of their own district.

The major sources of funds for the Banks are their capital stock and retained earnings, the proceeds from the sale of consolidated obligations and discount notes, and the deposits of member institutions. The funds from these sources are held as cash, invested in Treasury obligations or loaned to members.

The regional Banks are not autonomous. Besides governing them and setting System-wide policies, the FHLBB reviews their annual budgets and must approve appointments of top personnel.

The Banks provide many services to members besides deposit facilities and advances. Among these services are the safekeeping, purchase and sale of securities; and the operation of statistical and research programs that trace relevant economic conditions in the particular Bank district.

The capital stock of the district Banks is owned by their member institutions. Members are required to own stock equal to at least 1% of their total loan portfolio.

Advances to member institutions represent the major function of the Banks as reservoirs of credit. Advances are subject to a wide range of terms and conditions, which are controlled by statute, the policies of the Federal Home Loan Bank Board and the lending policies of the individual Banks.

FHLB Consolidated Obligations

The Federal Home Loan Bank System's consolidated obligations are used to tap the capital markets for funds to lend to member institutions. They are purchased by a broad segment of financial institutions, corporations and other investors.

In addition, the secretary of the Treasury is empowered to purchase up to $4 billion of consolidated obligations whenever the System's ability to aid savings institutions is substantially impaired by economic conditions.

Federal Home Loan Bank System borrowing closely reflects the demand for advances from member institutions.

FHLMC

The Federal Home Loan Mortgage Corporation was created in 1970 to promote the flow of capital into the housing market by establishing an active secondary market in mortgages. The corporation is under the direction of the Federal Home Loan Bank Board, and may by law deal only with government-supervised lenders—in essence, depository institutions—and with mortgage bankers that meet FHLBB-specified criteria.

The FHLMC provides additional loanable funds to lenders by purchasing existing mortgages from their portfolios. The corporation's programs cover conventional mortgage loans of various types, participations in conventional loans, and FHA and VA loans, on both an over-the-counter and a forward commitment basis.

In 1985 the FHLMC introduced four adjustable rate mortgage purchase programs and four programs to buy graduated payment mortgages. Earlier the FHLMC's ARM program did not permit any life-of-loan caps. As a result, the FHLMC did not extensively purchase ARMs because its high payment caps were unattractive to most borrowers.

The FHLMC also introduced fixed rate mortgages, which allow a borrower with a lower income to qualify for a mortgage by providing lower monthly payments in the early years.

The FHLMC obtains funds to finance its purchases mainly from the sale of

bond-type and pass-through mortgage certificates that it guarantees.

The Insurance Corporations

The Federal Deposit Insurance Corporation and the Federal Savings and Loan Insurance Corporation are permanent instrumentalities of the federal government, similar in structure and purpose. The FDIC was established in 1933 and the FSLIC in 1934 to insure deposits at savings associations, savings banks and commercial banks.

The basic principles of the federal deposit insurance system were developed from the experience of earlier state insuring organizations. These principles include financing the programs through member payments rather than tax funds, supervising and examining insured institutions to limit the insurer's exposure, and establishing procedures for dealing with troubled institutions that minimize inconvenience to depositors and economic disruption to the community.

Both the FDIC and the FSLIC insure accounts to $100,000. Insured accounts may be held by individuals, joint tenants, trustees, estates, partnerships, corporations, pension beneficiaries, borrowers with tax and insurance escrow deposits, government units and others.

In protecting the funds of depositors the insurance corporations have a wide choice of remedies when an insured institution's financial position becomes uncertain. They can make loans, grant contributions, purchase assets, provide guarantees or use any combination of these actions to help put the institution back on a firm footing, or allow time for a merger, acquisition or orderly liquidation to be arranged.

In response to the earnings difficulties of 1980-1982, the Garn-St Germain Act of 1982 also authorized the FSLIC and FDIC to provide capital assistance to institutions before their situation requires serious measures. This net worth certificate plan is described earlier in this text, in the section entitled "Liability Reserves."

Regulation and Supervision

Both the FDIC and the FSLIC issue extensive bodies of regulations with which insured institutions must comply. These institutions submit regular financial reports to the FDIC and FSLIC. This allows the corporations to monitor individual performance and to focus supervisory attention on the institutions that may be experiencing difficulties.

In addition, examiners visit insured institutions in order to make a detailed study of books and records to assure compliance with regulations and sound operating policies and procedures.

This three-pronged approach helps make sure that all insured institutions operate in a safe and sound manner and thus reduces risk to the insurance corporations.

Insurance Corporation Resources

During more than 50 years of operation, both the FDIC and FSLIC have accumulated multibillion dollar reserves against possible insurance claims by the depositors of defaulted institutions. The FDIC calls this the insurance fund, while the FSLIC uses the designation primary and secondary reserves.

The two principal sources of increases in insurance corporation reserves are the premiums (assessments, in FDIC terminology) that insured institutions pay and interest income.

The huge reserves of the FSLIC and FDIC are invested in U.S. government obligations. Interest from these investments provides more income to both corporations in most years than do insurance premiums.

The FDIC and FSLIC's first line of defense against loss lies in the reserve and net worth accounts of insured institutions. Only when a member's losses exceed its own liability reserves are insurance corporation funds called into action. Finally, both corporations are authorized to borrow from the U.S. Treasury, although neither has ever needed to do so.

Annual premiums for either FDIC or FSLIC coverage are 1/12 of 1% of the institution's total deposits. For FDIC-insured institutions, this rate normally is reduced by partial rebates of the assessments remaining after the corporation has deduct-

ed insurance losses and expenses. This provision has usually resulted in an effective annual assessment rate ranging between 1/36 and 1/13 of 1% over the last two decades.

However, insured banks did not receive a 1985 assessment credit because FDIC operating costs and insurance losses exceeded assessments. A record 120 bank failures in 1985 caused a severe drain on FDIC resources, although the insurance fund ended 1985 with a net worth of $17.9 billion, an increase of $1.4 billion.

Many FDIC-insured banks with large investments in agricultural and energy projects experienced problems when a worldwide slowdown in these sectors occurred. As a result, the FDIC decided not to take action to enforce normal capital standards against banks whose primary capital ratio declines to no less than 4% from March 1986 to December 31, 1987, provided these banks meet certain conditions. Basically, a bank's problems must stem from external economic problems and not poor management for it to participate in the FDIC's plan.

The FSLIC faces many new pressures caused by such forces as financial deregulation, which has increased competition for savings and greatly expanded investment options for all insured institutions.

As a result, Congress is increasingly concerned about the viability of deposit insurance. Several steps have been taken to bolster the FSLIC.

For example, the FHLBB moved in 1985 to restrain the explosive growth of some institutions and sometimes imprudent lending practices by requiring institutions to have sufficient net worth to support this growth. In addition, the Bank Board issued regulations covering direct investments in real estate equities, service corporations and corporate securities.

In early 1985, the Bank Board imposed the first of four special quarterly premium assessments to bolster the FSLIC's resources. Each assessment amounted to 1/32 of 1% of each insured institution's deposits, or 1/8 of 1% over the course of the year. The special assessment added $1 billion to the FSLIC's revenues by year-end. Together with regular FSLIC premiums, the special assessment and portfolio investment income produced for the FSLIC a cash flow of about $2.3 billion in 1985.

To help liquidate nonperforming assets acquired by the FSLIC, the Bank Board approved the establishment of a special federally chartered savings institution, the Federal Asset Disposition Association, sometimes called the "406 Corporation" after the title of a legislative provision authorizing its creation.

FADA is managed by private-sector real estate professionals. It holds great promise for maximizing the return on assets acquired by the FSLIC.

Insured Savings Institutions

Federally chartered savings associations must belong to the FSLIC; state-chartered associations may join if they qualify. Most state-chartered associations do offer their savers this protection. If an FSLIC-insured association converts to a savings bank charter, it may retain its FSLIC insurance.

Traditional state-chartered savings banks belong to the FDIC, while new federal savings banks are FSLIC-insured. Existing savings banks converting to federal charter may retain their FDIC insurance if they choose. The largest category of FDIC membership is commercial banks; beginning in 1984, state-chartered thrift and loan institutions also may belong if they qualify.

The gradual decline over the last several years in the number of FSLIC- and FDIC-insured institutions is a result of consolidations and mergers within the savings institutions business and does not represent any decrease in insurance coverage for savers. In fact, a recent Federal Reserve Board ruling mandates federal insurance for all depository institutions that offer either NOW or commercial accounts.

FHA

The Federal Housing Administration, created by the National Housing Act of 1934, is a federal agency within the Department of Housing and Urban Development. The FHA operates a variety of loan insurance and subsidy programs designed to help stabilize the home mortgage market, improve housing construc-

tion standards and facilitate sound financing on reasonable terms.

Through November 30, 1983, the secretary of HUD set the interest rate ceilings on FHA loans; now, however, the rates are allowed to move freely to meet market conditions. Except in the case of interest-subsidized loans, the FHA borrower pays an annual insurance premium of ½ of 1% of the average principal outstanding over the year.

One major program provides for FHA insurance of single-family home loans. It encourages private lenders to extend homeownership opportunities by making loans with low downpayments and maturities up to 30 and 35 years.

VA

The Veterans Administration guarantees loans made by private lenders to eligible veterans of the U.S. armed forces. This guarantee is free of charge to qualifying veterans. The program includes conventional homes, condominiums and mobile homes. Because the VA reduces risk to the lender by guaranteeing part or all of the loan, the lender can safely offer the veteran very low downpayments and long terms.

Historically, the interest rate on VA-guaranteed single-family mortgages was the same as that on FHA loans. Today, the Veterans Administration sets VA loan ceilings.

FNMA

The basic function of the Federal National Mortgage Association is to provide a secondary market in residential loans. FNMA fulfills this function by buying, servicing and selling mortgages, using debt issued under its own name as its primary source of funds.

FNMA is the nation's largest purchaser of residential mortgages. At year-end 1985, it held a mortgage portfolio of $98.5 billion. The organization purchases conventional and government-insured loans outright under a competitive bidding setup.

FNMA, known in financial circles as Fannie Mae, has been owned by private shareholders since 1968, although it still has a number of ties to the government. Five of Fannie Mae's 15 directors are appointed by the President. The secretary of HUD has authority to set the corporation's debt limit and its ratio of debt to capital and also may require the corporation to allocate a portion of its purchases to programs related to national housing goals.

In 1985 FNMA introduced a program to allow builders and lenders to lock in mortgage interest rates for up to five months, even if rates in the market increase. This new program became available for all FNMA's standard mortgage products, including conventional fixed rate and adjustable rate loans, as well as FHA and VA mortgages.

GNMA

The Government National Mortgage Association, often referred to as Ginnie Mae, is a wholly owned corporate instrumentality of the U.S. government, operating within HUD. GNMA was created in 1968 to assume certain functions formerly belonging to Fannie Mae, as well as to guarantee securities backed by mortgages insured or guaranteed by the federal government.

The pass-through is the major type of Ginnie Mae-guaranteed mortgage-backed security issued by private mortgage lenders. It provides for passing along to the security holder the monthly payments of interest and principal on the underlying pool of mortgages. The security is fully guaranteed by the federal government.

A futures market in GNMA pass-throughs exists on the Chicago Board of Trade. There, investors can competitively trade contracts to buy or sell agreed-upon amounts of securities at a negotiated price at a specified future date. This market enables savings institutions to pass along the interest rate risks of dealing in these securities to speculators who are more willing to gamble on interest rate trends.

The GNMA contract was the first of the so-called financial futures contracts. Futures contracts in other securities quickly followed. Savings institutions may use futures to hedge the interest rate risk of their asset/liability structure, although speculation is forbidden.

Introduction to the Data

With the passage of the Garn-St Germain Depository Institutions Act in the autumn of 1982, savings associations became able to convert easily to savings banks, and savings banks obtained a similar right of conversion to savings association charters.

By year-end 1985, 302 FSLIC-insured savings banks with more than $131 billion in assets were in operation. A handful of these were de novo federal savings banks, but most were converted savings associations. Thus, for statistical purposes, the traditional distinctions between the institutions calling themselves savings associations and those calling themselves savings banks have become meaningless.

The *1986 Sourcebook* brings you a comprehensive picture of the savings institutions business. In doing so, it uses several different categories of data to describe these institutions.

All savings associations encompasses those institutions with a federal or state savings and loan charter. Data since 1983 are not entirely comparable with those from earlier years, however, because of the number of existing associations that converted to savings banks over the last three years. For example, associations' total assets in 1983 were reduced by nearly $65 billion being transferred to the savings bank column, which has the effect of understating the year-to-year growth of associations.

All savings banks represents institutions operating with a savings bank federal or state charter. Before 1983, these were traditional state-chartered savings banks. Here, too, some incomparability exists between 1983-85 and earlier years, due to the number of conversions of associations to savings bank charters.

All savings institutions data combine savings association and savings bank numbers. In this category, year-to-year comparisons are valid because charter changes do not affect the overall totals. Where totals for all savings institutions are not provided because of space constraints, the reader may wish to compute them from all savings bank and all savings association numbers.

FSLIC-insured savings institutions incorporates data on both savings associations and savings banks that belong to the FSLIC. Because this category takes in most traditional savings associations that converted their charters in the last three years, it is roughly comparable to "all savings associations" in prior years, except that the 1% to 2% of associations that are state-insured or uninsured are excluded.

FDIC-insured savings banks represents the traditional savings bank business but excludes those institutions with state or no insurance of accounts.

FSLIC-insured savings associations consists of traditional associations whose numbers and dollar amounts are diminished by the conversion of institutions to savings bank charter.

Federally insured savings institutions combines FDIC-insured savings bank data with FSLIC-insured savings association and savings bank numbers.

In this *Sourcebook*, the all-inclusive categories are used wherever the data are available. Furthermore, comparable savings association and savings bank data are paired

wherever possible in the same or succeeding tables, in order to make it easier for the reader to compare, contrast and total the numbers.

Where it is useful to show more detailed data, available sources have been used even though comparable data for other categories of savings institutions are not gathered or published. Also, some of these tables continue long-term data series from the *Savings Institutions Sourcebook*'s predecessor publications, series that are widely known to *Sourcebook* users.

In order to avoid lengthy and repetitious footnotes defining many of the terms used in *Sourcebook* tables, definitions appear in the glossary that follows the data section.

To facilitate reference, the tables in the data section of this *Sourcebook* are grouped into five subject areas: savings, mortgage lending, housing, savings institution operations and federal government agencies.

Finally, the index at the end of this publication helps users to locate both data and explanatory text relating to particular topics.

Savings Data

1. DISTRIBUTION OF TOTAL PERSONAL INCOME
(DOLLAR AMOUNTS IN BILLIONS)

Year	Personal Income	Personal Taxes	Disposable Personal Income	Personal Outlays	Personal Savings	
					Amount	As a % of Disposable Income
1960	$ 409.4	$ 50.5	$ 358.9	$ 338.1	$ 20.8	5.8%
1965	552.0	65.2	486.8	452.5	34.3	7.0
1970	831.8	116.2	715.6	657.9	57.7	8.1
1971	894.0	117.3	776.8	710.5	66.3	8.5
1972	981.6	142.0	839.6	778.2	61.4	7.3
1973	1,101.7	152.0	949.8	860.8	89.0	9.4
1974	1,210.1	171.8	1,038.4	941.7	96.7	9.3
1975	1,313.4	170.6	1,142.8	1,038.2	104.6	9.2
1976	1,451.4	198.7	1,252.6	1,156.9	95.8	7.6
1977	1,607.5	228.1	1,379.3	1,288.6	90.7	6.6
1978	1,812.4	261.1	1,551.2	1,441.1	110.2	7.1
1979	2,034.0	304.7	1,729.3	1,611.3	118.1	6.8
1980	2,258.5	340.5	1,918.0	1,781.1	136.9	7.1
1981	2,520.9	393.3	2,127.6	1,968.1	159.4	7.5
1982	2,670.8	409.3	2,261.4	2,107.5	153.9	6.8
1983	2,836.4	411.1	2,425.4	2,292.2	133.2	5.5
1984	3,111.9	441.8	2,670.2	2,497.7	172.5	6.5
1985*	3,294.2	493.1	2,801.1	2,671.4	129.7	4.6

*Preliminary.
Note: Components may not add to totals due to rounding.
Source: Department of Commerce.

2. ALLOCATION OF HOUSEHOLD FUNDS
(BILLIONS OF DOLLARS)

Item	1982	1983	1984	1985*
Disposable Personal Income	$2,107.5	$2,292.2	$2,497.7	$2,671.4
Plus: Increase in Credit	141.0	273.0	329.7	384.4
Equals: Total Funds Available	$2,248.5	$2,565.2	$2,827.4	$3,055.8
Less: Spending on Nondurable Goods and Services	1,798.0	1,939.7	2,092.0	2,221.1
Leaves: Amount Available for Investment in Tangible and Financial Assets	$ 450.5	$ 625.5	$ 735.4	$ 834.7
Invested in:				
Tangible assets	$ 82.7	$ 206.2	$ 218.7	$ 317.5
Financial assets	367.8	419.3	516.7	517.2
Financial Assets Placed in:				
Savings accounts	$ 140.9	$ 202.0	$ 228.3	$ 137.1
Insurance and pension funds	147.3	144.2	133.3	160.8
Credit and equity instruments	38.9	78.2	84.7	176.7
Money market funds	24.7	−44.1	47.2	− 2.2
All other	16.0	39.0	23.2	44.8

*Preliminary.
Sources: Department of Commerce; Federal Reserve Board.

3. ANNUAL CHANGE IN FINANCIAL ASSETS OF HOUSEHOLDS
(BILLIONS OF DOLLARS)

Year	Savings Associations†	Savings Banks	Commercial Banks	Credit Unions	Life Insurance Reserves	Pension Fund Reserves	Credit and Equity Instruments	Money Market Fund Shares	Total‡
1960	$ 7.6	$ 1.4	$ 2.7	$ 0.5	$ 3.2	$ 8.3	$ 6.2		$ 31.6
1965	8.5	3.6	14.9	1.0	4.8	12.1	2.8		55.1
1970	11.0	4.4	27.0	1.2	5.5	18.4	− 1.2		75.1
1971	28.0	9.9	28.1	1.7	6.3	21.1	− 8.9		98.3
1972	32.7	10.2	29.0	2.5	6.9	22.6	6.0		122.2
1973	20.2	4.7	35.3	3.6	7.6	25.4	32.0		142.7
1974	16.1	3.1	34.1	2.6	6.7	29.6	36.6	$ 2.4	138.5
1975	42.8	11.2	24.6	5.4	8.7	34.9	27.0	1.3	162.8
1976	50.6	13.0	37.9	6.0	8.4	44.0	23.9	0.0	199.5
1977	51.0	11.1	37.8	7.7	11.5	54.6	27.8	0.2	223.0
1978	44.9	8.6	40.4	6.4	12.0	61.8	56.2	6.9	259.7
1979	39.3	3.4	27.3	4.4	10.7	84.3	52.9	34.4	278.0
1980	41.8	7.5	68.8	8.3	9.7	106.3	22.1	29.2	303.9
1981	20.0	3.0	40.5	3.1	9.2	109.0	17.8	107.5	341.8
1982	46.8	5.3	77.6	11.2	7.2	140.1	38.9	24.7	367.8
1983	101.8	15.8	69.5	14.9	8.0	136.2	78.2	− 44.1	419.3
1984	112.4	7.8	96.0	12.1	5.2	128.1	84.7	47.2	516.7
1985*	51.6	7.6	58.5	19.4	7.9	152.9	176.7	− 2.2	517.2

*Preliminary.
†Includes most federal savings banks insured by the FSLIC.
‡Includes checkable deposits and currency not classified elsewhere.
Sources: Federal Home Loan Bank Board; Federal Reserve Board.

4. OVER-THE-COUNTER SAVINGS
(BILLIONS OF DOLLARS)

Year-end	Savings Associations[1]	Savings Banks[2]	Commercial Banks[3]	Credit Unions[4]	Total[5]
1960	$ 62.1	$ 36.3	$ 67.1	$ 5.0	$ 171.3
1965	110.4	52.4	130.8	9.2	303.1
1970	146.4	71.6	205.8	15.5	439.3
1971	174.2	81.4	239.2	18.4	513.2
1972	206.8	91.6	273.5	21.6	593.5
1973	227.0	96.5	314.4	24.5	662.4
1974	243.0	98.7	360.5	27.5	729.7
1975	285.7	109.9	393.4	33.0	822.0
1976	335.9	122.9	435.1	39.0	932.9
1977	386.8	134.0	482.0	46.7	1,049.5
1978	431.0	142.7	544.6	53.0	1,171.3
1979	470.0	146.0	589.0	57.5	1,262.5
1980	511.6	153.5	677.8	65.7	1,408.6
1981	525.1	155.1	802.0	68.9	1,551.1
1982	568.0	155.2	921.0	80.1	1,724.3
1983	634.5	211.9	1,037.4	95.1	1,978.9
1984	724.3	248.1	1,056.0	107.2	2,135.6
1985*	752.3	271.7	1,109.8	126.6	2,260.4

*Preliminary.
[1] All types of savings.
[2] Regular and special savings accounts.
[3] Time and savings deposits of individuals, partnerships and corporations.
[4] Shares and members' deposits.
[5] In 1960 and 1965, includes postal savings not classified elsewhere.
Sources: Federal Home Loan Bank Board; Federal Reserve Board.

5. AVERAGE ANNUAL YIELD ON SELECTED INVESTMENTS

Year	Savings Deposits in FSLIC-insured Savings Institutions	Savings Deposits in FDIC-insured Savings Banks	Time and Savings Deposits in Commercial Banks	United States Government Bonds	State and Local Bonds	Corporate Aaa Bonds
1960	3.86%	3.49%	2.56%	4.12%	3.73%	4.41%
1965	4.25	4.15	3.69	4.28	3.27	4.49
1970	5.14	5.04	4.95	7.35	6.51	8.04
1971	5.30	5.12	4.78	6.16	5.70	7.39
1972	5.37	5.22	4.66	6.21	5.27	7.21
1973	5.51	5.44	5.71	6.84	5.18	7.44
1974	5.96	5.78	6.93	7.56	6.09	8.57
1975	6.21	5.97	5.92	7.99	6.89	8.83
1976	6.31	6.06	5.53	7.61	6.49	8.43
1977	6.39	6.07	5.50	7.42	5.56	8.02
1978	6.56	6.22	6.02	8.41	5.90	8.73
1979	7.29	6.91	7.48	9.44	6.39	9.63
1980	8.78	8.03	9.08	11.46	8.51	11.94
1981	10.71	9.66	11.31	13.91	11.23	14.17
1982	11.19	9.68	10.46	13.00	11.57	13.79
1983	9.71	8.50	8.43	11.10	9.47	12.04
1984	9.93	8.65	8.90	12.44	10.15	12.71
1985*	9.03	8.11	7.87	10.62	9.18	11.37

*Preliminary.
Sources: Federal Deposit Insurance Corporation; Federal Home Loan Bank Board; Federal Reserve Board; Moody's Investors Service; Standard & Poor's Corporation; United States League of Savings Institutions.

6. TOTAL SAVINGS AND NUMBER OF ACCOUNTS AT ALL SAVINGS INSTITUTIONS

Year-end	All Savings Associations		All Savings Banks		All Savings Institutions	
	Total Savings (Millions)	Number of Accounts (Thousands)	Total Savings (Millions)	Number of Accounts (Thousands)	Total Savings (Millions)	Number of Accounts (Thousands)
1960	$ 62,142	28,743	$ 36,343	22,493	$ 98,485	51,236
1965	110,385	39,807	52,443	22,326	162,828	62,133
1970	146,404	48,080	71,580	24,967	217,984	73,047
1971	174,197	50,831	81,440	25,748	255,637	76,579
1972	206,764	54,483	91,613	26,947	298,377	81,430
1973	226,968	59,091	96,496	28,333	323,464	87,424
1974	242,974	63,622	98,701	28,508	341,675	92,130
1975	285,743	69,558	109,873	29,712	395,616	99,270
1976	335,912	75,622	122,877	31,475	458,789	107,097
1977	386,800	81,346	134,017	33,302	520,817	114,648
1978	430,953	86,903	142,701	35,476	573,654	122,379
1979	470,004	90,195	146,006	36,410	616,010	126,605
1980	511,636	94,572	153,501	37,600	665,137	132,172
1981	525,061	101,207	155,110	36,855	680,171	138,062
1982	567,961	102,225	155,196	33,966	723,157	136,191
1983	634,455	98,122	211,909	41,665	846,364	139,787
1984	724,301	103,353	248,147	44,591	972,448	147,944
1985*	752,104	101,540	271,673	n.a.	1,023,777	n.a.

n.a. = not available.
*Preliminary.
Sources: Federal Home Loan Bank Board; National Council of Savings Institutions; United States League of Savings Institutions.

7. AVERAGE SIZE OF SAVINGS ACCOUNTS AT ALL SAVINGS INSTITUTIONS

Year-end	All Savings Associations	All Savings Banks
1960	$2,162	$1,616
1965	2,773	2,349
1970	3,045	2,867
1971	3,427	3,163
1972	3,795	3,400
1973	3,841	3,406
1974	3,819	3,462
1975	4,108	3,698
1976	4,442	3,904
1977	4,755	4,024
1978	4,959	4,022
1979	5,211	4,010
1980	5,410	4,082
1981	5,188	4,209
1982	5,556	4,569
1983	6,466	5,086
1984	7,008	5,565
1985	7,407	n.a.

n.a. = not available.
Sources: Federal Home Loan Bank Board; National Council of Savings Institutions.

8. AVERAGE INTEREST RATE ON SAVINGS AT ASSOCIATIONS†

Month	1983	1984	1985
January	10.09%	9.77%	9.58%
February	9.68	9.56	9.63
March	9.55	9.52	9.16
April	9.49	9.46	9.22
May	9.47	9.52	9.00
June	9.40	9.42	8.89
July	9.53	9.65	8.74
August	9.66	9.77	8.63
September	9.59	9.63	8.54
October	9.73	9.90	8.46
November	9.71	9.80	8.44
December	9.73	9.71	8.25

†Based on data received from 900 associations regularly reporting to the U.S. League. This group holds 50% of the total savings of all associations.
Source: U.S. League of Savings Institutions.

9. SAVINGS DEPOSITS AT FSLIC-INSURED INSTITUTIONS, BY TYPE OF ACCOUNT, YEAR-END 1985

(DOLLAR AMOUNTS IN MILLIONS)

Type of Account	Amount	Percentage
Passbook and NOW	$ 97,077	11.5%
Super NOW	12,297	1.5
Money Market	129,564	15.4
7-31 Day Certificate	4,881	0.6
32-91 Day Certificate	10,544	1.2
92-182 Day Certificate	125,609	14.9
183-365 Day Certificate	97,995	11.6
More than 1 but less than 2½-year Certificate	87,023	10.3
2½-year or more Certificate	170,367	20.2
Subtotal	$735,357	87.1%
More than $100,000 Certificate	108,575	12.9
Total Savings	$843,933	100.0%

Note: Components may not add to totals due to rounding.
Source: Federal Home Loan Bank Board.

10. QUARTERLY CHANGE IN SAVINGS DEPOSITS AT FSLIC-INSURED INSTITUTIONS, BY TYPE OF ACCOUNT, 1985

(MILLIONS OF DOLLARS)

Type of Account	1st Q	2nd Q	3rd Q	4th Q
Passbook and NOW	$ 101	$ – 3,306	$ 3,409	$ 284
Super NOW	974	961	932	1,067
Money Market	10,202	6,330	4,537	755
7-31 Day Certificate	720	458	127	– 212
32-91 Day Certificate	1,093	– 486	– 360	– 97
92-182 Day Certificate	– 2,215	– 2,369	– 3,226	– 1,711
183-365 Day Certificate	4,718	9,985	2,983	2,154
More than 1 but less than 2½-year Certificate	3,089	8,362	2,923	3,577
2½-year or more Certificate	– 664	1,116	3,030	5,477
Subtotal	$ 18,018	$ 21,051	$ 14,355	$ 11,294
More than $100,000 Certificate	– 1,449	– 4,794	– 631	1,364
Total Savings	$ 16,569	$ 16,258	$ 13,723	$ 12,659

Note: Components may not add to totals due to rounding.
Source: Federal Home Loan Bank Board.

11. NET NEW SAVINGS FLOWS AT FSLIC-INSURED INSTITUTIONS
(MILLIONS OF DOLLARS)

Quarter	Net New Savings	Net New Retail Savings†	Quarter	Net New Savings	Net New Retail Savings†
1976			1981		
1st Q	$12,514	n.a.	1st Q	$ - 659	$ - 1,799
2nd Q	6,771	$ 6,589	2nd Q	- 10,467	- 12,701
3rd Q	7,200	6,348	3rd Q	- 12,627	- 15,501
4th Q	7,884	7,703	4th Q	- 1,652	- 2,994
1977			1982		
1st Q	11,734	11,462	1st Q	- 661	- 3,392
2nd Q	7,391	6,553	2nd Q	- 8,152	- 9,748
3rd Q	8,210	7,425	3rd Q	- 4,457	- 6,481
4th Q	4,669	4,281	4th Q	6,845	4,912
1978			1983		
1st Q	7,542	5,848	1st Q	28,958	29,248
2nd Q	4,290	2,589	2nd Q	10,905	3,353
3rd Q	6,487	5,292	3rd Q	14,406	359
4th Q	5,141	4,460	4th Q	8,955	5,610
1979			1984		
1st Q	10,103	8,349	1st Q	17,670	8,638
2nd Q	1,606	- 1,791	2nd Q	14,466	1,548
3rd Q	1,974	- 1,530	3rd Q	8,843	1,424
4th Q	1,346	- 3,089	4th Q	15,892	9,263
1980			1985		
1st Q	1,550	- 1,844	1st Q	2,348	3,797
2nd Q	799	- 2,153	2nd Q	- 617	4,177
3rd Q	2,252	- 454	3rd Q	- 4,474	- 3,843
4th Q	6,066	2,521	4th Q	- 1,540	- 2,904

n.a. = not available.
†Net new savings gains excluding increase in $100,000-minimum certificates; beginning in 1985, excluding increase in certificates of more than $100,000.
Source: Federal Home Loan Bank Board.

12. INDIVIDUAL RETIREMENT ACCOUNT ASSETS
(DOLLAR AMOUNTS IN BILLIONS)

Financial Intermediary	Year-end 1984 Amount	Year-end 1984 Percentage	Year-end 1985 Amount	Year-end 1985 Percentage
Savings Institutions:				
Savings Associations	$ 34.1	25.8%	$ 44.5	22.3%
Savings Banks	9.3	7.0	11.9	6.0
Total	43.4	32.9	56.4	28.2
Commercial Banks	37.2	28.2	51.5	25.8
Mutual Funds	16.5	12.5	31.6	15.8
Brokerage Industry (self-directed)	14.6	11.1	29.4	14.7
Life Insurance Companies	12.6	9.5	16.9	8.5
Credit Unions	7.8	5.9	13.9	7.0
Total IRA Assets	$132.1	100.0%	$199.8	100.0%

Note: Components may not add to totals due to rounding.
Source: Investment Company Institute.

13. GROWTH IN SELECTED TYPES OF CREDIT
(BILLIONS OF DOLLARS)

Type of Credit	1960	1985*	Increase
Total Credit Outstanding	$778.7	$8,249.8	$7,471.1
Residential Mortgage Loans:			
One- to Four-family Homes	141.9	1,467.2	1,325.3
Apartments	20.3	202.9	182.6
Total	162.2	1,670.1	1,507.9
Corporate and Foreign Bonds	90.2	774.3	684.1
State and Local Government Obligations	70.8	720.4	649.6
Consumer Credit	65.1	671.5	606.4
Mortgages on Commercial Properties	32.4	471.3	438.9
Federal Debt	243.1	2,226.3	1,983.2

Note: Components may not add to totals due to rounding.
*Preliminary.
Sources: Federal Reserve Board; United States League of Savings Institutions.

14. MORTGAGE LOANS OUTSTANDING, BY TYPE OF PROPERTY
(BILLIONS OF DOLLARS)

Year-end	Residential Properties			Commercial Properties	Farm Properties	All Properties
	One- to Four-family	Multi-family	Total			
1960	$ 141.9	$ 20.3	$ 162.2	$ 32.4	$ 12.8	$ 207.5
1965	220.5	37.2	257.7	54.5	21.2	333.3
1970	297.4	60.1	357.5	85.6	30.3	473.5
1971	325.9	70.1	396.0	95.9	32.2	524.0
1972	366.5	82.8	449.3	112.7	35.1	597.1
1973	407.9	93.1	501.0	131.7	39.5	672.3
1974	440.7	100.0	540.7	146.9	44.7	732.3
1975	482.1	100.6	582.7	159.3	49.7	791.7
1976	546.3	105.7	652.0	171.2	55.3	878.5
1977	642.7	114.0	756.7	189.7	63.5	1,009.8
1978	753.5	124.9	878.4	211.8	71.6	1,161.9
1979	870.5	134.9	1,005.4	236.3	85.6	1,327.3
1980	963.9	142.3	1,106.2	255.5	95.8	1,457.5
1981	1,038.5	142.1	1,180.6	277.5	105.8	1,564.0
1982	1,074.7	145.8	1,220.5	300.8	110.0	1,631.3
1983	1,189.8	158.7	1,348.5	350.4	112.6	1,811.5
1984	1,319.4	178.8	1,498.2	413.0	111.6	2,022.8
1985*	1,467.2	202.9	1,670.1	471.3	107.1	2,248.5

Note: Components may not add to totals due to rounding.
*Preliminary.
Source: Federal Reserve Board.

15. MORTGAGE LOANS OUTSTANDING, BY TYPE OF PROPERTY AND LENDER, YEAR-END 1985*

(BILLIONS OF DOLLARS)

Lender	Residential Properties: One- to Four-family	Residential Properties: Multifamily	Residential Properties: Total	Commercial Properties	Farm Properties	Total Mortgage Loans
Savings Associations	$ 430.9	$ 66.5	$ 497.3	$ 88.4	†	$ 585.7
Savings Banks	122.1	23.2	145.4	31.7	†	177.2
Savings Institutions	$ 553.0	$ 89.7	$ 642.7	$120.2	†	$ 762.9
Commercial Banks	214.3	22.9	237.2	174.3	$ 11.4	423.0
Life Insurance Companies	13.5	19.5	33.0	122.9	12.0	167.9
All Others	686.4	70.8	757.2	53.9	83.7	894.7
Total	$1,467.2	$202.9	$1,670.1	$471.3	$107.1	$2,248.5

Note: Components may not add to totals due to rounding.
*Preliminary.
†Less than $50 million.
Sources: Federal Home Loan Bank Board; Federal Reserve Board.

16. RESIDENTIAL MORTGAGE LOANS OUTSTANDING AND SAVINGS INSTITUTIONS' SHARE, 1985*

(DOLLAR AMOUNTS IN BILLIONS)

Item	One- to Four-family: Year-end Total	One- to Four-family: 1985 Increase	Multifamily: Year-end Total	Multifamily: 1985 Increase	Total Residential: Year-end Total	Total Residential: 1985 Increase
Savings Associations	$ 430.9	$ 9.4	$ 66.5	$10.7	$ 497.3	$ 20.1
Savings Banks	122.1	14.8	23.2	3.4	145.4	18.2
Savings Institutions	$ 553.0	$ 24.2	$ 89.7	$14.1	$ 642.7	$ 38.3
All Lenders	1,467.2	147.8	202.9	24.1	1,670.1	171.9
All Private Lenders†	976.6	58.6	177.4	20.7	1,154.0	79.3
	Percentage Share of Market					
Total Market						
Savings Associations	29.4%	6.4%	32.8%	44.4%	29.8%	11.7%
Savings Banks	8.3	10.1	11.4	14.1	8.7	10.6
Savings Institutions	37.7%	16.4%	44.2%	58.5%	38.5%	22.3%
Private Market†						
Savings Associations	44.1%	16.0%	37.5%	51.7%	43.1%	25.3%
Savings Banks	12.5	25.3	13.1	16.4	12.6	23.0
Savings Institutions	56.6%	41.3%	50.6%	68.1%	55.7%	48.3%

Note: Components may not add to totals due to rounding.
*Preliminary.
†Excludes holdings of federal agencies, the U.S. government and mortgage pools.
Sources: Federal Home Loan Bank Board; Federal Reserve Board.

17. ANNUAL CHANGE IN AGENCY-SUPPORTED RESIDENTIAL DEBT
(DOLLAR AMOUNTS IN MILLIONS)

Year	FNMA and GNMA Holdings	FHLMC Holdings	FHLB Advances	Total Agency Support	All Residential Debt	Agency Support as a % of All Residential Debt
1960	$ 759		$ – 153	$ 606	$ 12,600	4.8%
1965	– 42		672	630	20,700	3.0
1970	4,911	$ 325	1,326	6,562	22,100	28.8
1971	2,395	643	– 2,679	359	38,500	0.9
1972	1,801	820	43	2,664	53,300	5.0
1973	3,300	816	7,168	11,284	51,700	21.8
1974	6,222	1,982	6,657	14,861	39,700	37.4
1975	4,838	401	– 3,959	1,280	42,000	3.0
1976	– 2,117	– 718	– 1,983	– 4,818	69,300	– 7.0
1977	884	– 1,002	4,311	4,193	104,700	4.0
1978	8,791	– 176	12,497	21,112	121,700	17.3
1979	8,123	961	9,168	18,252	127,000	14.4
1980	7,026	1,004	7,125	15,155	100,800	15.0
1981	4,208	181	16,231	20,620	74,400	27.7
1982	9,864	– 504	816	10,176	39,900	25.5
1983	5,610	2,899	– 7,034	1,475	128,000	1.2
1984	8,590	2,767	15,641	26,998	149,700	18.0
1985*	9,514	2,845	12,681	25,040	171,900	14.6

*Preliminary.
Sources: Federal Home Loan Bank Board; Federal Home Loan Mortgage Corporation; Federal National Mortgage Association; Federal Reserve Board; Government National Mortgage Association.

18. ONE- TO FOUR-FAMILY MORTGAGE LOANS OUTSTANDING, BY LENDER
(BILLIONS OF DOLLARS)

Year-end	Savings Associations	Savings Banks	Commercial Banks	Life Insurance Companies	Federally Supported Agencies†	All Others	Total
1960	$ 55.4	$ 20.6	$ 19.2	$24.9	$ 7.1	$ 14.7	$ 141.9
1965	94.2	33.8	30.4	29.6	6.6	25.9	220.5
1970	124.5	42.1	42.3	26.8	24.7	37.0	297.4
1971	141.0	43.4	48.0	24.6	30.5	38.4	325.9
1972	165.6	46.2	57.0	22.3	36.1	39.3	366.5
1973	187.1	48.8	68.0	20.4	41.9	41.7	407.9
1974	201.0	49.2	74.8	19.0	52.0	44.7	440.7
1975	223.9	50.0	77.0	17.6	66.0	47.6	482.1
1976	260.8	53.1	86.2	16.1	77.6	52.5	546.3
1977	310.7	58.0	105.1	14.7	96.3	57.9	642.7
1978	356.1	63.3	129.2	14.4	119.6	70.9	753.5
1979	394.3	66.1	149.5	16.2	154.1	90.3	870.5
1980	419.8	67.5	160.3	17.9	183.2	115.2	963.9
1981	433.1	68.2	170.0	17.2	209.7	140.3	1,038.5
1982	393.3	64.5	173.8	16.8	270.7	155.6	1,074.7
1983	387.9	93.6	182.5	15.3	346.1	164.4	1,189.8
1984	421.5	107.3	196.5	14.1	401.4	178.6	1,319.4
1985*	430.9	122.1	214.3	13.5	490.6	195.8	1,467.2

*Preliminary.
†Includes mortgage pools.
Source: Federal Reserve Board.

19. MULTIFAMILY MORTGAGE LOANS OUTSTANDING, BY LENDER
(BILLIONS OF DOLLARS)

Year-end	Savings Associations	Savings Banks	Commercial Banks	Life Insurance Companies	All Others	Total
1960	$ 2.2	$ 3.7	$ 1.1	$ 3.9	$ 9.4	$ 20.3
1965	8.1	6.3	2.0	8.8	12.0	37.2
1970	13.8	7.8	3.3	16.0	19.2	60.1
1971	17.5	9.6	4.0	16.7	22.3	70.1
1972	21.0	10.9	5.8	17.3	27.8	82.8
1973	22.8	12.3	6.9	18.5	32.6	93.1
1974	23.8	12.9	7.6	19.6	36.1	100.0
1975	25.5	13.8	5.9	19.6	35.8	100.6
1976	28.4	14.2	8.1	19.2	35.8	105.7
1977	32.5	15.0	9.2	18.8	38.5	114.0
1978	36.1	15.9	10.3	19.0	43.6	124.9
1979	37.6	16.6	11.2	19.3	50.2	134.9
1980	38.1	16.1	12.9	19.5	55.7	142.3
1981	37.7	16.0	15.1	19.3	54.0	142.1
1982	39.0	14.8	16.5	18.9	56.6	145.8
1983	44.3	17.2	18.4	19.1	59.7	158.7
1984	55.8	19.8	20.2	18.9	64.1	178.8
1985*	66.5	23.2	22.9	19.5	70.8	202.9

*Preliminary.
Source: Federal Reserve Board.

20. LONG-TERM INTEREST RATES

Year	Conventional Loans on New Homes, Effective Interest Rate	New Aaa Utility Issues Yield	Corporate Aaa Bond Yield	Spread between Conventional Loan Rate and Utilities Yield	Spread between Conventional Loan Rate and Corporate Bond Yield
1965	5.81%	4.50%	4.49%	1.31%	1.32%
1970	8.45	8.68	8.04	−0.23	0.41
1971	7.74	7.62	7.39	0.12	0.35
1972	7.60	7.31	7.21	0.29	0.39
1973	7.96†	7.74	7.44	0.22	0.52
1974	8.92	9.33	8.57	−0.41	0.35
1975	9.00	9.40	8.83	−0.40	0.17
1976	9.00	8.48	8.43	0.52	0.57
1977	9.02	8.19	8.02	0.83	1.00
1978	9.56	8.96	8.73	0.60	0.83
1979	10.78	10.03	9.63	0.75	1.15
1980	12.66	12.74	11.94	−0.08	0.72
1981	14.70	15.56	14.17	−0.86	0.53
1982	15.14	14.41	13.79	0.73	1.35
1983	12.57	12.06	12.04	0.60	0.53
1984	12.38	n.a.	12.71	n.a.	−0.33
1985	11.58	n.a.	11.37	n.a.	0.21

n.a. = not available.
†New series.
Sources: Federal Home Loan Bank Board; Federal Reserve Board; Moody's Investors Service.

21. EFFECTIVE INTEREST RATES ON CONVENTIONAL HOME MORTGAGE LOANS CLOSED

Month	All Major Lenders		Savings Associations		Savings Banks	
	Fixed Rate Loans	Adjustable Rate Loans	All Home Loans	% with Adjustable Rate	All Home Loans	% with Adjustable Rate
1984:						
January	12.82%	11.80%	12.23%	64%	12.07%	70%
February	12.85	11.74	12.22	63	11.83	66
March	12.82	11.75	12.16	66	12.06	68
April	12.91	11.52	12.06	66	11.88	65
May	12.96	11.65	12.08	69	12.38	56
June	13.09	11.80	12.22	68	12.00	75
July	13.46	12.03	12.45	73	12.75	58
August	13.47	12.32	12.64	75	12.75	68
September	13.47	12.49	12.83	70	13.02	73
October	13.67	12.57	12.86	70	13.42	63
November	13.41	12.53	12.86	68	13.30	64
December	13.16	12.29	12.74	60	13.11	55
1985:						
January	13.10	12.05	12.56	60	13.03	61
February	12.93	11.69	12.27	55	12.70	55
March	12.87	11.37	12.16	53	12.30	57
April	12.90	11.29	12.12	52	12.42	49
May	12.94	11.30	12.06	55	12.26	57
June	12.63	11.10	11.76	59	12.01	62
July	12.23	10.76	11.53	57	11.50	66
August	12.14	10.56	11.37	51	11.74	59
September	12.02	10.32	11.28	50	11.35	60
October	12.12	10.41	11.25	52	11.45	57
November	11.99	10.36	11.23	53	11.27	60
December	11.88	10.22	11.09	54	11.03	63

Source: Federal Home Loan Bank Board.

22. TERMS ON CONVENTIONAL MORTGAGE LOANS

Item	Dec. 1982	Dec. 1983	Dec. 1984	Dec. 1985
New Single-family Homes:				
Contract interest rate	13.09%	11.94%	12.05%	10.47%
Loan fees	2.98%	2.56%	2.65%	2.59%
Maturity in years	26.90	27.30	28.00	26.70
Loan-to-price ratio	75.20%	79.10%	77.90%	75.00%
Average purchase price	$91,800	$94,800	$102,600	$111,500
Existing Single-family Homes:				
Contract interest rate	13.44%	11.94%	12.26%	10.70%
Loan fees	2.47%	2.41%	2.62%	2.34%
Maturity in years	24.80	26.40	26.10	25.50
Loan-to-price ratio	72.30%	76.20%	76.10%	74.80%
Average purchase price	$71,600	$79,200	$84,300	$100,800

Source: Federal Home Loan Bank Board.

23. PRIVATE AND GOVERNMENT MORTGAGE INSURANCE
(DOLLAR AMOUNTS IN BILLIONS)

Year-end	Private Mortgage Insurance	One- to Four-family FHA/VA Insurance	Insurance as a % of Home Mortgage Debt	Year-end	Private Mortgage Insurance	One- to Four-family FHA/VA Insurance	Insurance as a % of Home Mortgage Debt
1960	$ 0.3	$ 56.4	40.0%	1977	$ 62.8	$141.6	31.8%
1965	3.3	73.1	34.6	1978	80.5	153.4	31.0
1970	7.3	97.3	35.2	1979	95.2	172.9	30.8
1971	9.6	105.2	35.2	1980	105.3	195.2	31.2
1972	17.5	113.0	35.6	1981	114.3	207.6	31.0
1973	27.4	116.2	35.2	1982	124.2	217.9	31.8
1974	33.6	121.3	35.1	1983	148.0	248.8	33.3
1975	40.0	127.7	34.8	1984	192.0	265.9	34.4
1976	49.3	133.5	33.5	1985*	223.7	n.a.	n.a.

n.a. = not available.
*Preliminary.
Sources: Department of Housing and Urban Development; Federal Housing Administration; Federal Reserve Board; Mortgage Insurance Companies of America; Veterans Administration.

24. MORTGAGE FORECLOSURES BY ALL LENDERS†

Year-end	All Mortgage Loans	Conventional Loans	FHA Loans‡	VA Loans
1965	0.40%	0.08%	0.50%	0.40%
1970	0.33	0.08	0.47	0.25
1971	0.46	0.07	0.68	0.30
1972	0.48	0.07	0.75	0.34
1973	n.a.	n.a.	n.a.	n.a.
1974	0.50	0.15	0.57	0.40
1975	0.38	0.16	0.46	0.36
1976	0.40	0.18	0.48	0.41
1977	0.37	0.15	0.46	0.39
1978	0.31	0.13	0.42	0.32
1979	0.29	0.10	0.44	0.38
1980	0.38	0.17	0.53	0.46
1981	0.44	0.24	0.57	0.55
1982	0.67	0.39	0.88	0.76
1983	0.67	0.46	0.84	0.76
1984	0.73	0.47	0.98	0.82
1985	0.81	0.61	1.01	0.88

n.a. = not available.
†Percentage of loans in the foreclosure process.
‡For 1974-1978, FHA loans exclude sections 235 and 237 loans.
Source: Mortgage Bankers Association of America.

25. PURCHASES AND SALES OF MORTGAGE LOANS, BY LENDER
(MILLIONS OF DOLLARS)

Year	Savings Associations†	Savings Banks	Commercial Banks	Mortgage Companies	Federal Credit Agencies	Mortgage Pools	All Others	Total
				Purchases				
1970	$ 3,694	$1,809	$ 818	$ 60	$ 5,687	$ 2,726	$1,612	$ 16,406
1971	7,508	2,433	1,312	415	4,243	4,554	1,203	21,668
1972	10,550	3,222	1,236	1,462	5,553	5,882	1,400	29,305
1973	7,019	2,517	1,176	1,396	8,371	5,007	2,081	27,567
1974	5,865	1,521	1,112	899	10,151	7,485	1,906	28,939
1975	8,471	1,751	431	820	12,526	12,829	1,776	38,604
1976	13,088	2,581	1,022	2,239	10,738	17,855	1,164	48,687
1977	14,791	3,409	2,216	4,236	11,363	26,015	1,974	64,004
1978	11,188	3,244	2,046	4,004	21,884	26,733	4,768	72,867
1979	12,235	2,891	2,410	5,856	17,864	33,423	7,076	81,755
1980	13,189	1,212	4,902	3,445	16,333	29,355	9,708	78,144
1981	10,596	371	4,150	4,708	14,221	24,110	7,961	66,117
1982	23,724	1,531	3,270	4,953	20,021	59,329	5,793	118,621
1983	44,966	2,748	5,107	13,174	26,923	88,122	8,816	189,856
1984	64,623	3,175	8,133	11,205	26,785	68,218	8,037	190,176
1985‡	46,601	2,022	7,107	14,648	26,316	77,442	5,827	179,963
				Sales				
1970	$ 996	$ 283	$ 1,965	$12,509	$ 2,587	$ 331	$ 262	$ 18,933
1971	2,013	270	2,262	15,777	2,464	438	675	23,899
1972	3,582	341	2,727	17,831	4,791	323	1,052	30,647
1973	3,416	266	2,723	17,727	5,180	656	427	30,395
1974	3,527	376	2,430	16,164	3,794	1,132	139	27,562
1975	5,234	269	3,386	16,324	8,694	871	512	35,290
1976	8,641	548	4,792	19,144	12,842	850	248	47,065
1977	14,124	284	6,844	33,457	10,092	1,916	757	67,474
1978	15,775	352	7,638	42,602	13,270	2,505	673	82,815
1979	18,667	577	7,733	51,325	9,957	1,279	615	90,153
1980	16,140	782	8,403	36,987	10,463	4,059	295	77,129
1981	12,832	484	5,458	30,492	11,683	3,829	464	65,242
1982	54,446	2,218	8,298	30,893	12,697	4,321	415	113,288
1983	54,194	3,211	15,419	70,362	13,674	5,410	1,140	163,410
1984	64,097	3,374	13,610	56,571	12,244	6,044	2,768	158,708
1985‡	67,241	3,473	13,594	54,964	6,707	5,311	1,511	152,801

†Includes federal savings banks insured by the FSLIC.
‡Nine months.
Source: Department of Housing and Urban Development.

26. MORTGAGE PORTFOLIO OF ALL SAVINGS INSTITUTIONS

Year-end	Loans Outstanding (Millions of Dollars)†			Number of Loans (Thousands)	Average Loan Balance
	One- to Four-family Homes	Other Properties	Total		
			Savings Associations		
1960	$ 55,386	$ 4,684	$ 60,070	7,567	$ 7,938
1965	94,225	16,081	110,306	9,982	11,051
1970	124,543	25,788	150,331	10,951	13,728
1971	141,650	32,600	174,250	11,483	15,175
1972	166,410	39,772	206,182	12,223	16,869
1973	187,078	44,655	231,733	12,821	18,075
1974	200,987	48,314	249,301	12,912	19,308
1975	223,903	54,687	278,590	13,446	20,719
1976	260,794	62,211	323,005	13,933	23,183
1977	310,686	70,477	381,163	14,873	25,627
1978	356,114	76,694	432,808	15,480	27,960
1979	394,345	81,343	475,688	15,809	30,090
1980	419,763	83,049	502,812	16,059	31,311
1981	433,142	85,405	518,547	16,088	32,231
1982	393,323	90,291	483,614	15,017	32,204
1983	387,924	106,865	494,789	14,654	33,764
1984	421,489	133,788	555,277	13,893	39,969
1985*	430,876	154,833	585,709	12,835	45,634
			Savings Banks		
1960	$ 20,575	$ 6,360	$ 26,935	2,482	$10,850
1965	33,813	10,804	44,617	3,380	13,199
1970	42,149	15,799	57,948	3,711	15,616
1971	43,435	18,543	61,978	3,731	16,613
1972	46,229	21,327	67,556	3,769	17,922
1973	48,811	24,419	73,230	3,776	19,391
1974	49,213	25,707	74,920	3,686	20,324
1975	50,025	27,224	77,249	3,659	21,110
1976	53,089	28,550	81,639	3,635	22,459
1977	58,008	30,097	88,105	3,668	24,019
1978	63,260	31,897	95,157	3,699	25,726
1979	66,140	32,768	98,908	3,637	27,193
1980	67,489	32,376	99,865	3,570	27,977
1981	68,187	31,810	99,997	3,504	28,538
1982	64,488	29,964	94,452	3,388	28,867
1983	93,649	38,291	131,940	n.a.	n.a.
1984	107,302	47,139	154,441	n.a.	n.a.
1985*	122,136	55,057	177,193	n.a.	n.a.

n.a. = not available.
*Preliminary.
†Beginning with 1970, includes (1) junior liens, (2) real estate sold on contract, and (3) collateral loans secured by assignment of first mortgage loans; beginning with 1973, excludes certain government-insured mortgage-type investments.
Sources: Federal Home Loan Bank Board; Federal Reserve Board; National Council of Savings Institutions; United States League of Savings Institutions.

27. MORTGAGE LENDING ACTIVITY OF FSLIC-INSURED INSTITUTIONS[1]
(DOLLAR AMOUNTS IN MILLIONS)

Year	Loans Outstanding at Year-end[2]	Total Loans Acquired	Total Portfolio Inflows[3]	Turnover Ratio[4]
1960	$ 56,812	$ 14,653	$ 7,811	14.6%
1965	106,333	25,694	16,955	16.6
1970	146,043	24,505	14,355	10.2
1971	169,568	45,869	22,351	14.2
1972	200,876	60,636	29,305	15.8
1973	226,155	55,422	30,109	14.1
1974	243,554	43,962	26,735	11.4
1975	272,456	62,343	33,434	13.0
1976	316,332	89,902	45,784	15.6
1977	374,089	119,784	62,313	18.1
1978	424,969	119,257	67,681	16.9
1979	467,262	110,742	71,017	15.9
1980	494,179	84,225	59,195	12.3
1981	509,133	62,849	50,046	10.0
1982	473,656	76,670	94,980	[5]
1983	482,611	176,603	121,278	25.4
1984	599,021	245,463	145,275	25.9
1985*	649,848	258,620	214,922	34.4

*Preliminary.
[1]Beginning with 1984, includes federal savings banks insured by the FSLIC.
[2]Beginning with 1970, includes (1) junior liens; (2) real estate sold on contract; and (3) collateral loans secured by the assignment of first mortgage loans; beginning with 1973, excludes participation certificates guaranteed by FHLMC, loans and notes insured by the Farmers Home Administration, and certain other government-insured mortgage-type investments; beginning with 1982, excludes certain balances that had been reported as liabilities.
[3]Repayments plus sales of loans and participations.
[4]Total inflows as a percentage of average mortgage portfolio.
[5]Not available on a comparable basis.
Sources: Federal Home Loan Bank Board; United States League of Savings Institutions.

28. MORTGAGE LENDING ACTIVITY OF ALL SAVINGS BANKS[1]
(DOLLAR AMOUNTS IN MILLIONS)

Year	Loans Outstanding at Year-end	Total Loans Acquired	Total Portfolio Inflows[2]	Turnover Ratio[3]
1970	$ 57,948	$ 6,125	$ 4,283	7.5%
1971	61,978	9,469	6,005	10.0
1972	67,556	12,585	7,754	12.0
1973	73,230	13,008	7,907	11.2
1974	74,920	8,572	6,944	9.4
1975	77,249	8,878	7,336	9.6
1976	81,639	12,092	8,362	10.5
1977	88,105	15,269	8,935	10.5
1978	95,157	15,535	9,727	10.6
1979	98,908	13,981	8,886	9.2
1980	99,865	8,202	7,484	7.5
1981	99,997	5,641	6,806	6.8
1982	94,452	6,955	8,984	9.2
1983	131,940	17,341	15,394	13.6
1984	97,012	21,305	15,694	16.5
1985*	89,625	17,110	14,107	15.1

*Preliminary.
[1]Beginning with 1984, excludes federal savings banks insured by the FSLIC.
[2]Repayments plus sales of loans and participations.
[3]Total inflows as a percentage of average mortgage portfolio.
Sources: Department of Housing and Urban Development; Federal Reserve Board.

29. MORTGAGE LOANS ACQUIRED BY FSLIC-INSURED INSTITUTIONS†
(DOLLAR AMOUNTS IN MILLIONS)

Year	Loans Closed	Loans and Participations Purchased	Total Loans Acquired	Purchases as a % of Total Loans Acquired
1960	$ 13,802	$ 851	$ 14,653	5.8%
1965	23,309	2,385	25,694	9.3
1970	20,760	3,745	24,505	15.3
1971	38,341	7,528	45,869	16.4
1972	50,024	10,612	60,636	17.5
1973	48,193	7,229	55,422	13.0
1974	38,059	5,903	43,962	13.4
1975	53,799	8,544	62,343	13.7
1976	77,103	12,799	89,902	14.2
1977	105,287	14,497	119,784	12.1
1978	108,273	10,984	119,257	9.2
1979	98,730	12,012	110,742	10.8
1980	71,270	12,955	84,225	15.4
1981	52,333	10,516	62,849	16.7
1982	53,356	23,314	76,670	30.4
1983	132,441	44,162	176,603	25.0
1984	181,302‡	64,161	245,463	26.1
1985*	196,521	62,099	258,620	24.0

*Preliminary.
†Beginning with 1984, includes federal savings banks insured by the FSLIC.
‡New series. All activity reported on a gross basis including refinancings and combination construction-purchase loans.
Source: Federal Home Loan Bank Board.

30. MORTGAGE LOANS ACQUIRED BY ALL SAVINGS BANKS†
(DOLLAR AMOUNTS IN MILLIONS)

Year	Loans Closed	Loans and Participations Purchased	Total Loans Acquired	Purchases as a % of Total Loans Acquired
1970	$ 4,316	$1,809	$ 6,125	29.5%
1971	7,036	2,433	9,469	25.7
1972	9,363	3,222	12,585	25.6
1973	10,491	2,517	13,008	19.3
1974	7,051	1,521	8,572	17.7
1975	7,127	1,751	8,878	19.7
1976	9,511	2,581	12,092	21.3
1977	11,860	3,409	15,269	22.3
1978	12,291	3,244	15,535	20.9
1979	11,090	2,891	13,981	20.7
1980	6,990	1,212	8,202	14.8
1981	5,270	371	5,641	6.6
1982	5,424	1,531	6,955	22.0
1983	14,593	2,748	17,341	15.8
1984	18,130	3,175	21,305	14.9
1985‡	15,088	2,022	17,110	11.8

†Beginning with 1984, excludes federal savings banks insured by the FSLIC.
‡Nine months.
Source: Department of Housing and Urban Development.

31. MORTGAGE PORTFOLIO INFLOWS AT FSLIC-INSURED INSTITUTIONS†
(DOLLAR AMOUNTS IN MILLIONS)

Year	Cash Loan Repayments‡	Loans and Participations Sold	Total Inflows	Sales as a Percentage of Total Inflows
1970	$ 13,247	$ 1,108	$ 14,355	7.7%
1971	20,186	2,165	22,351	9.7
1972	25,591	3,714	29,305	12.7
1973	26,652	3,457	30,109	11.5
1974	23,231	3,504	26,735	13.1
1975	28,230	5,204	33,434	15.6
1976	37,337	8,447	45,784	18.4
1977	48,467	13,846	62,313	22.2
1978	52,196	15,485	67,681	22.9
1979	52,686	18,331	71,017	25.8
1980	43,339	15,856	59,195	26.8
1981	37,433	12,613	50,046	25.2
1982	41,548	53,432	94,980	56.3
1983	68,018	53,260	121,278	43.9
1984	81,455	63,820	145,275	43.9
1985*	109,529	105,393	214,922	49.0

*Preliminary.
†Beginning with 1984, includes federal savings banks insured by the FSLIC.
‡For 1970-1978, includes miscellaneous credits and excludes debits for interest, taxes, insurance and miscellaneous charges.
Sources: Federal Home Loan Bank Board; United States League of Savings Institutions.

32. MORTGAGE PORTFOLIO INFLOWS AT ALL SAVINGS BANKS[1]
(DOLLAR AMOUNTS IN MILLIONS)

Year	Loan Repayments[2]	Loans and Participations Sold	Total Inflows	Sales as a Percentage of Total Inflows
1970	$ 4,000	$ 283	$ 4,283	6.6%
1971	5,735	270	6,005	4.5
1972	7,413	341	7,754	4.4
1973	7,641	266	7,907	3.4
1974	6,568	376	6,944	5.4
1975	7,067	269	7,336	3.7
1976	7,814	548	8,362	6.6
1977	8,651	284	8,935	3.2
1978	9,375	352	9,727	3.6
1979	8,309	577	8,886	6.5
1980	6,702	782	7,484	10.4
1981	6,322	484	6,806	7.1
1982	6,766	2,218	8,984	24.7
1983	12,183	3,211	15,394	20.9
1984	12,320	3,374	15,694	21.5
1985[3]	10,634	3,473	14,107	24.6

[1]Beginning with 1984, excludes federal savings banks insured by the FSLIC.
[2]For 1970-1976, estimated by subtracting net gain in mortgage portfolio from new loans acquired.
[3]Nine months.
Sources: Department of Housing and Urban Development; National Council of Savings Institutions.

33. MORTGAGE LOANS MADE BY ALL ASSOCIATIONS, BY PURPOSE OF LOAN

(MILLIONS OF DOLLARS)

Year	Home Construction	Home Purchase	All Other Purposes	Total
1960	$ 4,678	$ 6,132	$ 3,494	$ 14,304
1965	6,013	10,830	7,349	24,192
1970	4,150	10,238	6,998	21,386
1971	6,824	18,779	13,816	39,419
1972	8,548	26,594	16,227	51,369
1973	8,424	28,219	12,769	49,412
1974	6,503	22,641	9,814	38,958
1975	8,690	30,716	15,634	55,040
1976	12,960	45,727	20,089	78,776
1977	18,196	62,519	26,653	107,368
1978	20,136	65,585	24,573	110,294
1979	18,565	60,744	21,237	100,546
1980	13,515	41,919	17,103	72,537
1981	10,315	27,546	15,422	53,283
1982	9,129	20,462	24,707	54,298
1983	18,488	50,172	66,630	135,290
1984†	15,135	90,281	66,818	172,234
1985*	16,152	97,279	66,586	180,017

*Preliminary.
†New series. All activity reported on a gross basis including refinancings and combination construction-purchase loans.
Source: Federal Home Loan Bank Board.

34. ONE- TO FOUR-FAMILY HOMES FINANCED BY ALL ASSOCIATIONS

Year	Thousands of Homes†		
	New Homes	Existing Homes	Total
1960	379	609	988
1965	375	823	1,198
1970	160	543	703
1971	247	913	1,160
1972	285	1,175	1,460
1973	660	887	1,547
1974	475	654	1,129
1975	510	853	1,363
1976	680	1,120	1,800
1977	840	1,320	2,160
1978	825	1,220	2,045
1979	690	960	1,650
1980	465	580	1,045
1981	330	345	675
1982	238	269	507
1983	442	674	1,116
1984	508	1,124	1,632
1985	473	1,153	1,626

†Permanently financed new homes where the association did not make the construction loan were included in existing homes prior to 1973.
Sources: Federal Home Loan Bank Board; U.S. League of Savings Institutions.

35. MORTGAGE LOANS MADE BY FSLIC-INSURED INSTITUTIONS, BY PURPOSE OF LOAN

Item	Millions of Dollars		Distribution of Loans Closed	
	1984	1985*	1984	1985*
Construction Loans:				
One- to Four-family Homes	$ 15,747	$ 17,434	8.7%	8.9%
Apartments	11,066	9,979	6.1	5.1
Other Structures	17,048	14,688	9.4	7.5
Permanent Loans:				
New One- to Four-family Homes	$ 23,237	$ 22,079	12.8%	11.2%
Existing One- to Four-family Homes	72,445	85,654	40.0	43.6
One- to Four-family Homes	$ 95,682	$107,733	52.8%	54.8%
Apartments	13,150	15,367	7.3	7.8
Other Improved Real Estate	20,069	20,264	11.1	10.3
Loans for Other Purposes	8,541	11,061	4.7	5.6
Total Loans Closed	$181,302	$196,521	100.0%	100.0%

Note: Components may not add to totals due to rounding.
*Preliminary.
Source: Federal Home Loan Bank Board.

36. PRIVATE AND PUBLIC HOUSING STARTS

Year	Private Units	Public Units	Total Units
1960	1,252,200	43,900	1,296,100
1965	1,472,800	36,900	1,509,700
1970	1,433,600	35,400	1,469,000
1971	2,052,200	32,300	2,084,500
1972	2,356,600	21,900	2,378,500
1973	2,045,300	12,200	2,057,500
1974	1,337,700	14,800	1,352,500
1975	1,160,400	10,900	1,171,400
1976	1,537,500	10,100	1,547,600
1977	1,987,100	14,600	2,001,700
1978	2,020,300	15,800	2,036,100
1979	1,745,100	14,800	1,760,000
1980	1,292,200	20,400	1,312,600
1981	1,084,200	16,100	1,100,300
1982	1,062,200	9,800	1,072,100
1983	1,703,000	9,400	1,712,500
1984	1,749,500	6,300	1,755,800
1985*	1,736,400	3,100	1,739,500

Note: Components may not add to totals due to rounding.
*Preliminary.
Source: Bureau of the Census.

37. PRIVATE HOUSING STARTS, BY REGIONS

(THOUSANDS OF UNITS)

Year	North-east	North Central	South	West
1960	221	292	429	309
1965	270	362	575	266
1970	218	294	612	310
1971	264	434	869	486
1972	330	443	1,057	527
1973	277	440	899	429
1974	183	317	553	285
1975	149	294	442	275
1976	169	400	569	400
1977	202	465	783	538
1978	200	451	824	545
1979	178	349	748	470
1980	125	218	643	306
1981	117	165	562	240
1982	117	149	591	205
1983	168	218	935	382
1984	204	243	866	436
1985*	251	240	779	467

*Preliminary.
Source: Bureau of the Census.

38. PRIVATE HOUSING STARTS, BY MONTHS

(SEASONALLY ADJUSTED ANNUAL RATE)

Month	Thousands of Units		
	1983	1984	1985*
January	1,586	1,892	1,804
February	1,699	2,213	1,632
March	1,606	1,671	1,849
April	1,472	1,880	1,851
May	1,776	1,786	1,684
June	1,733	1,853	1,693
July	1,785	1,733	1,673
August	1,910	1,589	1,737
September	1,710	1,702	1,653
October	1,715	1,582	1,784
November	1,785	1,649	1,654
December	1,688	1,607	1,804

*Preliminary.
Source: Department of Commerce.

39. SUBSIDIZED HOUSING STARTS

Year	Subsidized Units Started	Percentage of Total Starts
1965	62,589	4.1%
1970	429,192	29.2
1971	430,001	20.6
1972	332,300	14.0
1973	181,381	8.8
1974	87,149	6.4
1975	85,876	7.3
1976	130,144	8.4
1977	201,644	10.1
1978	263,322	12.9
1979	257,661	14.6
1980	129,287	9.8
1981	60,151	5.5
1982	87,681	8.2
1983	40,940	2.4
1984	15,893	0.9
1985*	10,238	0.6

*Preliminary.
Sources: Bureau of the Census; Department of Housing and Urban Development.

40. ANNUAL DOLLAR VOLUME OF NEW CONSTRUCTION
(DOLLAR AMOUNTS IN BILLIONS)

Item	1981	1982	1983	1984	1985*
Gross National Product	$3,052.6	$3,166.0	$3,401.6	$3,774.7	$3,992.5
Private Domestic Investment	$ 515.5	$ 447.3	$ 501.9	$ 674.0	$ 670.4
Construction Expenditures:					
Total Private	$ 193.3	$ 186.1	$ 218.0	$ 257.8	$ 280.7
Total Public	53.3	50.8	50.7	55.2	62.3
Total Private and Public	$ 246.7	$ 236.9	$ 268.7	$ 313.0	$ 343.0
Total Private Residential	$ 94.1	$ 80.6	$ 121.3	$ 145.1	$ 148.3
Private Construction as a Percentage of Total Construction	78.4%	78.6%	81.1%	82.4%	81.8%
Private Residential Construction as a Percentage of:					
Gross National Product	3.1%	2.5%	3.6%	3.8%	3.7%
Private Domestic Investment	18.3	18.0	24.2	21.5	22.1
Total Private Construction	48.7	43.3	55.6	56.3	52.8
Total Private and Public Construction	38.1	34.0	45.1	46.4	43.2

Note: Components may not add to totals due to rounding.
*Preliminary.
Source: Department of Commerce.

41. PRIVATE HOUSING STARTS, BY NUMBER OF FAMILY UNITS

Year	One-family	Two-family	Three- and Four-family	Five or More	Total
1960	994,700	44,000	213,400		1,252,200
1965	963,700	50,800	35,800	422,500	1,472,800
1970	812,900	42,400	42,400	535,900	1,433,600
1971	1,151,000	55,100	65,200	780,900	2,052,200
1972	1,309,200	67,100	74,200	906,200	2,356,600
1973	1,132,000	54,200	64,100	795,000	2,045,300
1974	888,100	33,200	34,900	381,600	1,337,700
1975	892,200	34,500	29,500	204,300	1,160,400
1976	1,162,400	44,000	41,900	289,200	1,537,500
1977	1,450,900	60,700	61,000	414,400	1,987,100
1978	1,433,300	62,200	62,800	462,000	2,020,300
1979	1,194,100	56,100	65,900	429,000	1,745,100
1980	852,200	48,800	60,700	330,500	1,292,200
1981	705,400	38,200	52,900	287,700	1,084,200
1982	662,600	31,900	48,100	319,600	1,062,200
1983	1,067,600	41,800	71,700	522,000	1,703,000
1984	1,084,200	38,600	82,800	544,000	1,749,500
1985*	1,071,900	37,000	56,400	571,000	1,736,400

Note: Components may not add to totals due to rounding.
*Preliminary.
Source: Bureau of the Census.

42. PRIVATE STARTS OF APARTMENTS

Year	Number of Buildings†	Number of Units	Year	Number of Buildings†	Number of Units
1965	24,300	422,500	1978	31,700	462,000
1970	31,700	535,900	1979	30,600	429,000
1971	48,900	780,900	1980	22,600	330,500
1972	56,800	906,200	1981	19,700	287,700
1973	50,800	795,000	1982	21,800	319,600
1974	25,500	381,600	1983	38,600	522,000
1975	14,700	204,300	1984	40,300	544,000
1976	21,600	289,200	1985*	43,300	571,000
1977	30,500	414,400			

*Preliminary.
†Apartment buildings with five or more units.
Source: Bureau of the Census.

43. INVENTORY OF UNSOLD SPECULATIVELY BUILT ONE-FAMILY HOMES AND NUMBER OF MONTHS REQUIRED TO CLEAR INVENTORY
(SEASONALLY ADJUSTED ANNUAL RATES)

Month	Unsold Homes (Thousands)			Months to Clear Inventory		
	1983	1984	1985*	1983	1984	1985*
January	259	303	356	5.4	5.4	6.8
February	261	303	360	5.6	5.2	6.5
March	262	320	357	5.3	5.9	6.3
April	265	327	356	5.0	6.0	6.7
May	273	332	356	4.9	6.5	6.4
June	282	338	354	5.3	6.4	6.1
July	288	340	351	5.7	6.6	5.8
August	293	343	348	6.1	7.3	6.0
September	299	343	350	6.4	6.6	6.5
October	300	346	354	5.9	6.3	6.6
November	306	349	355	5.8	7.2	6.2
December	301	356	354	4.7	7.0	5.8

*Preliminary.
Source: Bureau of the Census and Department of Housing and Urban Development.

44. NEW AND EXISTING ONE-FAMILY HOMES SOLD

Year	Number (Thousands)			Dollar Volume (Billions)			Median Price	
	New Homes	Existing Homes	Total Homes	New Homes†	Existing Homes	Total Homes	New Homes	Existing Homes
1970	485	1,612	2,097	$12.9	$ 41.4	$ 54.3	$23,400	$23,000
1971	656	2,018	2,674	18.6	56.5	75.1	25,200	24,800
1972	718	2,252	2,970	21.9	67.8	89.7	27,600	26,700
1973	634	2,334	2,968	22.5	76.8	99.3	32,500	28,900
1974	519	2,272	2,791	20.2	81.3	101.5	35,900	32,000
1975	549	2,476	3,025	23.4	96.6	120.0	39,300	35,300
1976	646	3,064	3,710	31.0	129.3	160.3	44,200	38,100
1977	819	3,650	4,469	44.4	174.8	219.2	48,800	42,900
1978	817	3,986	4,803	51.1	221.2	272.3	55,700	48,700
1979	709	3,827	4,536	50.9	245.7	296.6	62,900	55,700
1980	545	2,973	3,518	41.6	216.4	258.0	64,600	62,200
1981	436	2,419	2,855	36.2	189.4	225.6	68,900	66,400
1982	412	1,990	2,402	34.6	160.2	194.8	69,300	67,800
1983	623	2,719	3,342	55.9	225.9	281.8	75,300	70,300
1984	639	2,868	3,507	62.4	246.6	309.0	79,900	72,400
1985*	686	3,214	3,900	69.0	291.9	360.9	84,100	75,500

*Preliminary.
†Computed from number of homes sold and average sales price.
Sources: Bureau of the Census; National Association of Realtors.

45. NEW ONE-FAMILY HOMES SOLD, BY PRICE
(THOUSANDS)

Year	Less than $50,000	$50,000-59,999	$60,000-79,999	$80,000-99,999	$100,000-119,999	$120,000 or More
1970	555	40			38	
1974	430	48			40	
1975	415	65			69	
1976	418	100			127	
1977	433	149	150	52	18	19
1978	316	156	194	82	31	38
1979	184	135	198	92	38	61
1980	137	97	149	68	31	63
1981	88	70	119	63	31	65
1982	67	68	130	61	26	60
1983	65	84	205	113	49	108
1984	47	75	199	126	57	136
1985*	51	67	193	141	68	166

*Preliminary.
Source: Bureau of the Census and Department of Housing and Urban Development.

46. MOBILE HOME SHIPMENTS

Year	Number of Units	% of Private Starts	
		Total	Single-family†
1960	103,700	8.3%	9.4%
1965	216,470	14.7	18.3
1970	401,190	28.0	33.0
1971	496,570	24.2	30.1
1972	575,940	24.4	30.6
1973	566,920	27.7	33.4
1974	329,300	24.6	27.0
1975	212,690	18.3	19.2
1976	246,120	16.0	17.5
1977	277,000	13.9	16.0
1978	275,900	13.7	16.1
1979	277,400	15.9	18.9
1980	221,600	17.1	20.6
1981	240,900	22.2	25.5
1982	239,600	22.6	26.6
1983	295,800	17.4	21.7
1984	295,600	16.9	21.4
1985*	283,500	16.3	20.9

*Preliminary.
†Single-family conventional homes and mobile homes.
Sources: Department of Commerce; Manufactured Housing Institute; National Conference of States on Building Codes and Standards.

47. RESIDENTIAL CONSTRUCTION COSTS AND CONSUMER PRICES

Year	Boeckh Index†	Percentage Change	
		Residential Construction Costs	Consumer Prices
1960	37.8	1.6%	1.6%
1965	41.8	3.2	1.7
1970	56.6	5.4	5.9
1971	61.3	8.3	4.3
1972	67.3	9.8	3.4
1973	73.5	9.2	6.2
1974	79.5	8.2	11.0
1975	84.8	6.7	9.1
1976	91.7	8.1	5.8
1977	100.0	9.1	6.5
1978	109.0	9.0	7.7
1979	119.0	9.2	11.3
1980	128.9	8.3	13.5
1981	136.0	5.5	10.4
1982	147.5	8.5	6.1
1983	156.2	5.9	3.2
1984	165.1	5.7	4.3
1985	169.8	2.8	3.6

†Boeckh Index of Residential Construction Costs; 1977 = 100.
Sources: E. H. Boeckh and Associates; Department of Labor.

48. HOMEOWNERSHIP, 1890-1984

Year	Occupied Units	Owner-occupied Units	Renter-occupied Units	Percentage Owned	Percentage Rented
1890	12,690,000	6,066,000	6,624,000	47.8%	52.2%
1900	15,964,000	7,455,000	8,509,000	46.7	53.3
1910	20,256,000	9,301,000	10,955,000	45.9	54.1
1920	24,352,000	11,114,000	13,238,000	45.6	54.4
1930	29,905,000	14,280,000	15,625,000	47.8	52.2
1940	34,855,000	15,196,000	19,659,000	43.6	56.4
1950	42,826,000	23,560,000	19,266,000	55.0	45.0
1960	53,024,000	32,797,000	20,227,000	61.9	38.1
1970	63,445,000	39,886,000	23,559,000	62.9	37.1
1975	72,523,000	46,867,000	25,656,000	64.6	35.4
1980	80,390,000	51,795,000	28.595,000	64.4	35.6
1983	84,638,000	54,724,000	29,914,000	64.7	35.3
1984	n.a.	n.a.	n.a.	64.5	35.5

n.a. = not available.
Source: Bureau of the Census.

49. NUMBER OF FAMILIES AND HOUSEHOLDS

Year†	Total (Thousands)			Annual Change (Thousands)		
	All Households	Families	Other Households	All Households	Families	Other Households
1960	52,799	45,111	7,688	1,364	879	485
1965	57,436	47,956	9,480	1,287	416	871
1970	63,401	51,586	11,815	1,187	763	424
1971	64,778	52,227	12,551	1,377	641	736
1972	66,676	53,296	13,380	1,898	1,069	829
1973	68,251	54,373	13,878	1,575	1,077	498
1974	69,859	55,053	14,806	1,608	680	928
1975	71,120	55,712	15,408	1,261	659	602
1976	72,867	56,245	16,622	1,747	533	1,214
1977	74,142	56,710	17,432	1,275	465	810
1978	76,030	57,215	18,815	1,888	505	1,383
1979	77,330	57,804	19,526	1,300	589	711
1980	80,776	59,550	21,226	3,446	1,746	1,700
1981	82,368	60,309	22,059	1,592	759	833
1982	83,527	61,019	22,508	1,159	710	449
1983	83,918	61,393	22,525	391	374	17
1984	85,290	61,997	23,293	1,372	604	768
1985	86,789	62,706	24,083	1,499	709	790

†As of March.
Source: Bureau of the Census.

50. APARTMENT ABSORPTION RATES†

Year	1st Q	2nd Q	3rd Q	4th Q
1970	69%	74%	77%	65%
1971	68	69	72	62
1972	61	73	69	67
1973	64	74	76	63
1974	67	73	72	60
1975	61	72	75	75
1976	79	86	79	78
1977	77	83	83	78
1978	79	84	83	81
1979	83	84	82	81
1980	72	79	76	70
1981	77	84	79	81
1982	76	79	73	61
1983	59	69	76	68
1984	68	72	64	64
1985	64	68	66	n.a.

n.a. = not available.
†Percentage of units rented within three months after completion.
Source: Bureau of the Census.

51. RENTAL AND HOMEOWNER VACANCY RATES

Year	Rental Units	Homeowner Units
1960	8.1%	1.3%
1965	8.3	1.5
1970	5.3	1.0
1971	5.4	1.0
1972	5.6	1.0
1973	5.8	1.0
1974	6.2	1.2
1975	6.0	1.2
1976	5.6	1.2
1977	5.2	1.2
1978	5.0	1.1
1979	5.4	1.1
1980	5.4	1.3
1981	5.0	1.4
1982	5.3	1.5
1983	5.6	1.5
1984	5.8	1.7
1985	6.5	1.8

Source: Bureau of the Census.

Savings Institution Operations Data

52. TOTAL ASSETS OF FINANCIAL INTERMEDIARIES AT YEAR-END (BILLIONS OF DOLLARS)

Financial Intermediary	1960	1965	1970	1975	1980	1985*
Commercial Banks	$257.6	$377.3	$ 576.2	$ 964.9	$1,703.7	$2,460.3
Savings Institutions:						
Savings Associations	71.5	129.6	176.2	338.2	630.7	952.2
Savings Banks	40.6	58.2	79.0	121.1	171.6	325.7
Total	112.1	187.8	255.2	459.3	802.3	1,277.9
Life Insurance Companies	119.6	158.9	207.3	289.3	479.2	812.0
Private Pension Funds	38.1	73.6	110.4	186.6	412.5	655.2
State and Local Pension Funds	19.7	34.1	60.3	104.8	198.1	397.2
Finance Companies	27.6	44.7	64.0	98.8	191.3	331.7
Money Market Funds	...	...	...	3.7	74.4	207.5
Investment Companies	17.0	35.2	47.6	42.2	58.4	251.5
Credit Unions	6.3	11.0	18.0	36.9	71.6	135.3
Total	$598.0	$922.6	$1,339.0	$2,186.5	$3,991.5	$6,528.6

*Preliminary.
Sources: CUNA International, Inc.; Federal Home Loan Bank Board; Federal Reserve Board; Institute of Life Insurance; Investment Company Institute; National Council of Savings Institutions; United States League of Savings Institutions.

53. DISTRIBUTION OF FSLIC-INSURED SAVINGS INSTITUTIONS, BY ASSET SIZE, DECEMBER 31, 1985

Asset Size (Millions)	Number of Associations	Percentage of Total	Assets (Millions)	Percentage of Total
Under $25	457	14.1%	$ 7,110	0.7%
$ 25 and under $ 50	554	17.1	20,239	1.9
$ 50 and under $ 100	714	22.0	50,727	4.7
$ 100 and under $ 250	779	24.0	123,738	11.6
$ 250 and under $ 500	343	10.6	117,987	11.0
$ 500 and under $1,000	193	5.9	135,623	12.7
$1,000 and under $5,000	176	5.4	304,283	28.5
$5,000 and over	30	0.9	309,692	29.0
Total	3,246	100.0%	$1,069,399	100.0%

Note: Components may not add to totals due to rounding.
Sources: Federal Home Loan Bank Board; United States League of Savings Institutions.

54. NUMBER AND ASSETS OF ALL SAVINGS ASSOCIATIONS, BY CHARTER

Year-end	Federally Chartered†	State-chartered			Grand Total
		Total	FSLIC-insured	Noninsured‡	
1960	1,873	4,447	2,225	2,222	6,320
1965	2,011	4,174	2,497	1,677	6,185
1970	2,067	3,602	2,298	1,304	5,669
1971	2,049	3,425	2,222	1,203	5,474
1972	2,044	3,254	2,147	1,107	5,298
1973	2,040	3,130	2,123	1,007	5,170
1974	2,060	2,963	2,081	882	5,023
1975	2,048	2,883	2,030	853	4,931
1976	2,019	2,802	2,025	777	4,821
1977	2,012	2,749	2,053	696	4,761
1978	2,000	2,725	2,053	672	4,725
1979	1,989	2,695	2,050	645	4,684
1980	1,985	2,628	2,017	611	4,613
1981	1,907	2,385	1,872	513	4,292
1982	1,727	2,098	1,616	482	3,825
1983	1,553	1,949	1,487	462	3,502
1984	1,478	1,913	1,460	453	3,391
1985*	1,419	1,825	1,525	300	3,244
		Millions of Dollars			
1960	$ 38,511	$ 32,965	$ 28,919	$ 4,046	$ 71,476
1965	66,715	62,865	57,861	5,004	129,580
1970	96,259	79,924	74,386	5,538	176,183
1971	114,229	91,794	85,755	6,039	206,023
1972	135,925	107,202	100,424	6,778	243,127
1973	152,240	119,665	112,557	7,108	271,905
1974	167,671	127,874	120,552	7,322	295,545
1975	195,410	142,823	134,849	7,974	338,233
1976	225,763	166,144	157,409	8,735	391,907
1977	261,920	197,321	188,078	9,243	459,241
1978	298,195	225,347	215,115	10,232	523,542
1979	323,058	255,904	245,049	10,855	578,962
1980	348,461	281,368	270,004	11,364	629,829
1981	407,351	256,816	243,717	13,099	664,167
1982	483,898	223,748	208,765	14,983	707,646
1983	499,254	274,163	254,946	19,217	773,417
1984	528,104	374,345	351,851	22,494	902,449
1985*	552,112	400,080	385,264	14,816	952,192

*Preliminary
†All federally chartered associations are insured by the Federal Savings and Loan Insurance Corporation.
‡Includes the assets of institutions insured by state insuring agencies.
Sources: Federal Home Loan Bank Board; United States League of Savings Institutions.

55. PERMANENT STOCK SAVINGS ASSOCIATIONS
(DOLLAR AMOUNTS IN MILLIONS)

State	December 31, 1984		December 31, 1985	
	Number of Associations	Total Assets	Number of Associations	Total Assets
California	165	$225,597	172	$237,226
Texas	209	65,600	215	80,245
Florida	62	42,260	66	37,956
Other States	504	159,367	459	163,151
Total	940	$492,824	912	$518,578

Sources: Federal Home Loan Bank Board; State supervisory reports.

56. NUMBER AND ASSETS OF ALL SAVINGS BANKS, BY INSURANCE STATUS

Year-end	Total Insured				Grand Total
	Total†	By FDIC	By FSLIC	By State Funds	
1960	502	325	. . .	185	515
1965	501	330	. . .	179	506
1970	493	329	. . .	172	494
1971	489	327	. . .	170	490
1972	485	326	. . .	167	486
1973	481	322	. . .	167	482
1974	479	320	. . .	167	480
1975	475	329	. . .	166	476
1976	473	331	. . .	166	473
1977	467	323	. . .	166	467
1978	465	325	. . .	163	465
1979	463	324	. . .	163	463
1980	463	323	3	162	463
1981	448	331	6	159	448
1982	424	315	6	155	424
1983	534	294	143	146	534
1984	602	291	229	n.a.	602
1985*	659	357	302	n.a.	659
	Millions of Dollars				
1960	n.a.	$ 35,092	. . .	n.a.	$ 40,571
1965	n.a.	50,500	. . .	n.a.	58,232
1970	n.a.	68,740	. . .	n.a.	78,995
1971	n.a.	77,892	. . .	n.a.	89,581
1972	n.a.	87,650	. . .	n.a.	100,593
1973	n.a.	93,013	. . .	n.a.	106,650
1974	n.a.	95,589	. . .	n.a.	109,550
1975	n.a.	107,281	. . .	n.a.	121,056
1976	n.a.	120,840	. . .	n.a.	134,812
1977	n.a.	132,201	. . .	n.a.	147,287
1978	n.a.	142,353	. . .	n.a.	158,174
1979	n.a.	147,112	. . .	n.a.	163,405
1980	n.a.	152,566	n.a.	n.a.	171,564
1981	n.a.	156,121	n.a.	n.a.	175,728
1982	n.a.	155,234	$ 6,859	n.a.	174,197
1983	n.a.	170,782	64,969	n.a.	244,501
1984	n.a.	179,051	98,559	n.a.	288,085
1985*	n.a.	194,247	131,333	n.a.	325,662

n.a. = not available.
*Preliminary.
†Data on insured savings banks do not add to total because some institutions are both FDIC-insured and state-insured.
Sources: Federal Deposit Insurance Corporation; Federal Home Loan Bank Board; National Council of Savings Institutions.

57. NUMBER AND ASSETS OF ALL SAVINGS INSTITUTIONS, BY STATE, DECEMBER 31, 1985*

State	All Savings Associations		All Savings Banks		All Savings Institutions	
	Number of Associations	Total Assets (Millions)	Number of Banks	Total Assets (Millions)	Number of Institutions	Total Assets (Millions)
Alabama	33	$ 7,408	4	$ 278	37	$ 7,686
Alaska	4	250	2	430	6	680
Arizona	14	18,657	0	0	14	18,657
Arkansas	32	6,778	7	1,623	39	8,401
California	210	268,829	9	3,877	219	272,706
Colorado	32	10,409	5	3,789	37	14,198
Connecticut	30	8,441	60	24,275	90	32,716
Delaware	3	113	2	1,247	5	1,360
District of Columbia	4	2,587	2	1,326	6	3,913
Florida	126	73,831	17	7,486	143	81,317
Georgia	64	10,287	8	4,268	72	14,555
Guam	2	83	0	0	2	83
Hawaii	7	4,551	1	447	8	4,998
Idaho	8	1,541	1	68	9	1,609
Illinois	249	52,833	20	7,689	269	60,522
Indiana	106	9,270	15	2,875	121	12,145
Iowa	49	7,735	5	1,399	54	9,134
Kansas	57	14,739	2	303	59	15,042
Kentucky	61	6,314	7	1,147	68	7,461
Louisiana	89	12,490	17	2,282	106	14,772
Maine	12	848	24	4,400	36	5,248
Maryland	91	16,650	4	1,399	95	18,049
Massachusetts	113	7,968	155	34,958	268	42,926
Michigan	42	20,833	10	10,693	52	31,526
Minnesota	31	13,639	6	1,018	37	14,657
Mississippi	38	2,419	7	1,625	45	4,044
Missouri	83	21,009	3	260	86	21,269
Montana	9	955	2	250	11	1,205
Nebraska	20	7,409	3	870	23	8,279
Nevada	6	3,410	0	0	6	3,410
New Hampshire	8	962	29	5,516	37	6,478
New Jersey	141	43,621	21	15,255	162	58,876
New Mexico	21	4,484	4	515	25	4,999
New York	71	19,811	94	110,128	165	129,939
North Carolina	142	17,569	1	124	143	17,693
North Dakota	4	996	2	2,463	6	3,459
Ohio	241	40,474	15	10,891	256	51,365
Oklahoma	47	9,238	7	701	54	9,939
Oregon	20	8,088	2	2,439	22	10,527
Pennsylvania	230	33,108	14	21,583	244	54,691
Puerto Rico	2	932	9	4,065	11	4,997
Rhode Island	2	64	8	6,164	10	6,228
South Carolina	45	8,848	4	1,087	49	9,935
South Dakota	14	1,376	1	65	15	1,441
Tennessee	50	8,096	12	1,696	62	9,792
Texas	267	91,080	6	681	273	91,761
Utah	14	6,073	0	0	14	6,073
Vermont	3	82	4	908	7	990
Virginia	58	14,612	9	6,464	67	21,076
Washington	36	8,160	14	13,225	50	21,385
West Virginia	19	1,627	2	883	21	2,510
Wisconsin	81	15,233	1	83	82	15,316
Wyoming	10	940	2	362	12	1,302
Entire U.S.	3,244	$952,192	659	$325,662	3,903	$1,277,854

n.a. = not available.
Note: Components do not add to totals because of differences in reporting dates and accounting systems.
*Preliminary.
Sources: Federal Home Loan Bank Board; National Council of Savings Institutions; U.S. League of Savings Institutions.

58. STATEMENT OF OPERATIONS OF FSLIC-INSURED SAVINGS INSTITUTIONS
(MILLIONS OF DOLLARS)

Year	Operating Income	Operating Expense	Net Operating Income	Interest on Savings Deposits	Interest on Borrowed Money	Net Income before Taxes	Taxes	Net Income after Taxes
1960	$ 3,503	$ 766	$ 2,737	$ 2,118	$ 78	$ 552	$ 4	$ 548
1965	6,821	1,317	5,504	4,309	243	950	154	796
1970	10,675	1,902	8,773	6,895	764	1,166	241	925
1971	12,668	2,113	10,555	8,274	603	1,748	434	1,314
1972	15,209	2,485	12,724	9,967	479	2,317	630	1,687
1973	18,280	2,975	15,305	11,688	917	2,655	758	1,897
1974	20,981	3,443	17,538	13,646	1,671	2,144	661	1,483
1975	23,719	3,949	19,770	16,020	1,600	2,082	634	1,448
1976	28,217	4,582	23,635	19,090	1,393	3,219	969	2,250
1977	33,890	5,328	28,562	22,547	1,506	4,610	1,412	3,198
1978	40,589	6,177	34,412	26,024	2,667	5,717	1,799	3,918
1979	48,606	7,088	41,518	32,151	4,299	5,198	1,578	3,620
1980	56,135	7,920	48,215	41,627	5,801	1,193	409	784
1981	65,152	8,976	56,176	54,075	9,206	−6,148	−1,516	−4,632
1982	71,509	10,104	61,405	58,600	11,653	−5,869	−1,598	−4,271
1983	79,983	12,298	67,686	58,275	9,380	2,561	593	1,968
1984	100,610	15,326	85,284	71,790	12,615	1,871	770	1,101
1985*	110,697	19,542	91,155	73,578	14,083	6,096	2,126	3,970

Note: Components do not add to totals because of the exclusion of some nonoperating income and expense items.
*Preliminary.
Sources: Federal Home Loan Bank Board; United States League of Savings Institutions.

59. STATEMENT OF OPERATIONS OF FDIC-INSURED SAVINGS BANKS
(MILLIONS OF DOLLARS)

Year	Operating Income	Operating Expense	Net Operating Income	Interest on Savings Deposits	Interest on Borrowed Money†	Net Income before Taxes	Taxes	Net Income after Taxes
1960	$ 1,462	$ 225	$ 1,237	$ 1,074	n.a.	$ 182	$ 14	$ 168
1965	2,392	312	2,080	1,809	n.a.	252	29	223
1970	3,875	501	3,374	2,987	$ 20	245	78	167
1971	4,529	574	3,955	3,419	8	471	127	344
1972	5,295	665	4,630	3,943	7	665	186	479
1973	6,065	783	5,282	4,481	29	686	208	478
1974‡	6,494	920	5,574	4,917	66	480	162	318
1975	7,188	1,074	6,114	5,496	55	537	172	365
1976	8,331	1,313	7,018	6,288	45	734	227	507
1977	9,434	1,476	7,958	6,997	47	962	280	682
1978	10,668	1,674	8,994	7,707	122	1,120	311	809
1979	11,967	1,807	10,160	8,958	295	908	259	649
1980	13,029	2,079	10,950	10,635	554	− 204	45	− 249
1981	14,640	2,240	12,400	13,196	853	−1,582	−134	−1,448
1982	15,140	2,379	12,761	13,256	950	−1,253	− 24	−1,229
1983	15,921	2,570	13,351	12,826	570	− 10	119	− 129
1984	14,802	2,450	12,352	11,497	649	163	141	22
1985	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

n.a. = not available.
Note: Components do not add to totals because of the exclusion of some nonoperating income and expense items.
†Beginning with 1979, includes expense of federal funds purchased and securities sold under repurchase agreement and interest on subordinated notes and debentures previously included in operating expense.
‡Not entirely comparable with prior years, due to accounting changes.
Source: Federal Deposit Insurance Corporation.

60. TOTAL OPERATING INCOME OF FSLIC-INSURED SAVINGS INSTITUTIONS
(PERCENTAGE DISTRIBUTION)

Year	Interest on Mortgage Loans	Interest on Investments	Loan Fees and Discounts	All Other
1960	83.3%	5.1%	11.6%	
1965	86.8	5.4	3.5%	4.3%
1970	84.3	7.7	3.7	4.3
1971	82.6	8.8	4.9	3.7
1972	83.4	7.9	5.3	3.4
1973	83.5	8.3	4.4	3.8
1974	82.3	9.1	3.6	5.0
1975	81.6	8.6	4.1	5.7
1976	80.5	7.6	4.7	7.2
1977	80.8	6.8	5.0	7.4
1978	80.5	7.5	4.4	7.6
1979	78.8	9.1	3.7	8.4
1980	77.2	10.0	3.2	9.6
1981	74.9	11.6	2.7	10.8
1982	71.0	11.4	3.9	13.7
1983	64.9	11.3	5.9	17.9
1984	61.9	11.9	5.2	21.0
1985*	62.5	10.6	4.7	22.2

*Preliminary.
Sources: Federal Home Loan Bank Board; U.S. League of Savings Institutions.

61. TOTAL OPERATING INCOME OF FDIC-INSURED SAVINGS BANKS

Year	Interest and Fees on Mortgage Loans	Interest on Investments	All Other
1960	73.2%	24.1%	2.7%
1965	81.6	15.0	3.4
1970	76.5	17.9	5.6
1971	72.3	22.3	5.4
1972	69.7	25.1	5.2
1973	68.8	24.1	7.1
1974†	69.3	23.0	7.7
1975	67.0	26.6	6.4
1976	62.7	31.1	6.2
1977	60.9	32.2	6.9
1978	60.9	30.9	8.2
1979	59.9	32.5	7.6
1980	58.6	31.2	10.2
1981	54.9	30.9	14.2
1982	52.6	29.6	17.8
1983	52.8	31.1	16.1
1984	62.3‡	31.2	6.5
1985	n.a.	n.a.	n.a.

n.a. = not available.
†Beginning in 1974, data are not entirely comparable with prior years, due to accounting changes.
‡Interest and fees on all loans.
Source: Federal Deposit Insurance Corporation.

62. TOTAL EXPENSE OF FSLIC-INSURED SAVINGS INSTITUTIONS
(PERCENTAGE DISTRIBUTION)

Year	Interest on Savings Deposits	Interest on Borrowed Money	Compensation	All Other
1960	71.4%	2.6%	11.4%	14.6%
1965	73.2	4.0	10.4	12.4
1970	71.6	7.9	9.0	11.5
1971	74.8	5.5	9.0	10.7
1972	76.6	3.7	8.9	10.8
1973	74.3	5.8	8.7	11.2
1974	72.0	8.8	8.4	10.8
1975	73.4	7.3	8.3	11.0
1976	75.2	5.5	8.4	10.9
1977	75.9	5.1	8.5	10.5
1978	73.9	7.6	8.3	10.2
1979	73.2	9.8	7.8	9.2
1980	74.7	10.4	6.8	8.1
1981	74.4	12.7	5.9	7.0
1982	71.8	14.3	5.6	8.3
1983	71.5	11.5	6.5	10.5
1984	69.9	12.3	6.7	11.1
1985*	65.9	12.6	7.3	14.2

*Preliminary.
Sources: Federal Home Loan Bank Board; U.S. League of Savings Institutions.

63. TOTAL EXPENSE OF FDIC-INSURED SAVINGS BANKS
(PERCENTAGE DISTRIBUTION)

Year	Interest on Savings Deposits	Interest on Borrowed Money	Compensation	All Other
1960	82.7%	n.a.	10.1%	7.2%
1965	85.3	n.a.	8.1	6.6
1970	85.2	0.6%	7.5	6.7
1971	85.5	0.2	7.5	6.8
1972	85.4	0.1	7.2	7.3
1973	84.7	0.5	7.2	7.6
1974†	83.3	1.1	7.2	8.4
1975	83.0	0.8	7.3	8.9
1976	82.2	0.6	7.3	9.9
1977	82.1	0.6	7.3	10.0
1978	81.1	1.3	7.6	10.0
1979	81.0	2.7	7.4	8.9
1980	80.2	4.2	7.0	8.6
1981	81.0	5.2	6.3	7.5
1982	79.9	5.7	6.2	8.2
1983	79.8	3.5	7.1	9.6
1984	78.8	4.4	7.3	9.5
1985	n.a.	n.a.	n.a.	n.a.

n.a. = not available.
†Beginning in 1974, data are not entirely comparable with prior years, due to accounting changes.
Source: Federal Deposit Insurance Corporation.

64. INCOME AND EXPENSE RATIOS OF FSLIC-INSURED SAVINGS INSTITUTIONS†

Item	1983	1984	1985*	Annual Change 1984	Annual Change 1985*
Operating Income	10.66%	11.23%	10.81%	0.57%	-0.42%
Operating Expenses	1.64	1.71	1.91	0.07	0.20
Net Operating Income	9.02%	9.52%	8.90%	0.50%	-0.62%
Interest on Savings Deposits	7.77	8.01	7.19	0.24	-0.82
Interest on Borrowed Money	1.25	1.41	1.38	0.16	-0.03
Nonoperating Income and Expense (Net)	0.34	0.09	0.23	-0.25	0.14
Net Income before Taxes	0.34%	0.21%	0.60%	-0.13%	0.39%
Taxes	0.08	0.09	0.21	0.01	0.12
Net Income after Taxes (Return on Assets)	0.27%	0.12%	0.39%	-0.15%	0.27%

Note: Components may not add to totals due to rounding.
*Preliminary.
†Income and expense items as a percentage of average assets excluding loans in process or contra-assets.
Sources: Federal Home Loan Bank Board; United States League of Savings Institutions.

65. INCOME AND EXPENSE RATIOS OF FDIC-INSURED SAVINGS BANKS†

Item	1982	1983	1984‡	Annual Change 1983	Annual Change 1984‡
Operating Income	9.69%	9.80%	8.46%	0.11%	-1.34%
Operating Expenses	1.52	1.58	1.40	0.06	-0.18
Net Operating Income	8.17%	8.21%	7.06%	0.04%	-1.15%
Interest on Savings Deposits	8.48	7.89	6.57	-0.59	-1.32
Interest on Borrowed Money	0.61	0.35	0.37	-0.26	0.02
Net Realized Gains or Losses (Net)	0.12	0.02	-0.03	-0.10	-0.05
Net Income before Taxes	-0.80%	-0.01%	0.09%	0.79%	0.10%
Taxes	-0.02	0.07	0.08	0.09	0.01
Net Income after Taxes (Return on Assets)	-0.79%	-0.08%	0.01%	0.71%	0.09%

Note: Components may not add to totals due to rounding.
†Income and expense items as a percentage of average assets.
‡1985 data not available.
Source: Federal Deposit Insurance Corporation.

66. SELECTED SIGNIFICANT RATIOS OF FEDERALLY INSURED SAVINGS INSTITUTIONS

Year	FSLIC-insured Savings Institutions				FDIC-insured Savings Banks			
	Asset Utilization[1]	Profit Margin[2]	Return on Equity[3]	Return on Average Assets[4]	Asset Utilization[1]	Profit Margin[2]	Return on Equity[3]	Return on Average Assets[4]
1960	5.55%	15.55%	12.35%	0.86%	4.25%	11.50%	5.76%	0.49%
1965	5.72	11.63	9.83	0.67	4.93	9.33	5.83	0.46
1970	6.60	8.56	8.02	0.57	5.87	4.31	3.37	0.25
1971	6.93	10.24	10.51	0.71	6.15	7.59	6.56	0.47
1972	7.02	11.01	12.14	0.77	6.38	9.05	8.41	0.58
1973	7.34	10.31	12.15	0.76	6.68	7.88	7.64	0.53
1974	7.63	7.03	8.63	0.54	6.87	4.89	4.85	0.33
1975	7.73	6.06	7.82	0.47	7.06	5.08	5.30	0.36
1976	8.01	7.87	11.10	0.63	7.29	6.09	6.81	0.44
1977	8.23	9.32	13.94	0.77	7.43	7.23	8.39	0.54
1978	8.50	9.57	14.84	0.81	7.75	7.58	9.09	0.59
1979	9.08	7.37	12.06	0.67	8.24	5.42	6.79	0.45
1980	9.60	1.38	2.44	0.13	8.67	- 1.58	- 2.56	-0.17
1981	10.48	- 6.96	-15.44	-0.73	9.41	- 9.89	-15.97	-0.93
1982	11.27	- 5.64	-16.13	-0.64	9.68	- 8.12	-15.62	-0.78
1983	11.20	2.34	6.77	0.27	9.32	- 0.81	- 1.56	-0.07
1984	11.66	1.05	3.15	0.12	8.46	0.15	0.26	0.01
1985*	11.50	3.37	9.37	0.39	n.a.	n.a.	n.a.	n.a.

n.a. = not available.
Note: Beginning in 1982, average assets exclude certain contra-asset balances that had been reported as liabilities.
*Preliminary.
[1]Total income divided by average assets (net of loans in process or contra-assets).
[2]Net after-tax income divided by total income.
[3]Net after-tax income divided by average net worth.
[4]Net after-tax income divided by average assets (net of loans in process or contra-assets).
Sources: Federal Deposit Insurance Corporation; Federal Home Loan Bank Board; United States League of Savings Institutions.

67. NUMBER OF SAVINGS INSTITUTION OFFICES

Year-end	Savings Association Offices			Savings Bank Offices			All Savings Institution Offices		
	Main	Branch	Total	Main	Branch	Total	Main	Branch	Total
1960	6,320	1,611	7,931	515	487	1,002	6,835	2,098	8,933
1965	6,185	2,994	9,179	506	716	1,222	6,691	3,710	10,401
1970	5,669	4,318	9,987	494	1,087	1,581	6,163	5,405	11,568
1971	5,474	4,961	10,435	490	1,196	1,686	5,964	6,157	12,121
1972	5,298	5,851	11,149	486	1,354	1,840	5,784	7,205	12,989
1973	5,170	7,036	12,206	482	1,492	1,974	5,652	8,528	14,180
1974	5,023	8,775	13,798	480	1,642	2,122	5,503	10,417	15,920
1975	4,931	10,518	15,449	476	1,846	2,322	5,407	12,364	17,771
1976	4,821	11,908	16,729	473	2,080	2,553	5,294	13,988	19,282
1977	4,761	13,087	17,848	467	2,314	2,781	5,228	15,401	20,629
1978	4,725	14,250	18,975	465	2,541	3,006	5,190	16,791	21,981
1979	4,684	15,508	20,192	463	2,875	3,338	5,147	18,383	23,530
1980	4,613	16,733	21,346	463	3,152	3,615	5,076	19,885	24,961
1981	4,292	17,495	21,787	448	3,245	3,693	4,740	20,740	25,480
1982	3,825	18,712	22,537	424	2,777	3,201	4,249	21,489	25,738
1983	3,502	18,098	21,600	534	3,351	3,885	4,036	21,449	25,485
1984	3,391	17,949	21,340	602	n.a.	n.a.	3,993	n.a.	n.a.
1985*	3,244	17,023	20,267	659	n.a.	n.a.	3,903	n.a.	n.a.

n.a. = not available.
*Preliminary.
Sources: Federal Home Loan Bank Board; National Council of Savings Institutions; United States League of Savings Institutions.

68. PERSONNEL OF SAVINGS INSTITUTIONS

Year-end	Savings Associations		Savings Banks	
	Total Employees	Employees Per $1 Million of Assets	Total Employees	Employees Per $1 Million of Assets
1960	71,700	1.00	n.a.	n.a.
1965	97,600	0.75	27,233	0.47
1970	106,000	0.60	n.a.	n.a.
1971	114,900	0.56	n.a.	n.a.
1972	129,300	0.53	35,138	0.35
1973	142,800	0.53	40,311	0.38
1974	153,300	0.52	41,602	0.38
1975	169,700	0.50	44,050	0.36
1976	185,800	0.47	47,682	0.35
1977	208,300	0.45	51,410	0.35
1978	225,500	0.43	55,170	0.35
1979	244,900	0.42	57,995	0.35
1980	260,100	0.41	62,318	0.36
1981	265,000	0.40	62,467	0.36
1982	273,500	0.39	72,300†	0.42†
1983	312,900	0.40	75,100	0.31
1984	335,000	0.37	76,600	0.27
1985*	357,500	0.38	80,700	0.25

n.a. = not available.
*Preliminary.
†New series.
Sources: Bureau of Labor Statistics; National Council of Savings Institutions; United States League of Savings Institutions.

69. CONDENSED STATEMENT OF CONDITION OF FSLIC-INSURED SAVINGS INSTITUTIONS AS OF DECEMBER 31, 1985*

Item	Amount (Millions)	Percentage of Total
ASSETS:		
Mortgage Loans	$ 649,848	60.8%
Insured Mortgages and Mortgage-backed Securities	110,710	10.4
Mobile Home Loans	6,520	0.6
Home Improvement Loans	5,193	0.5
Loans on Deposits	3,991	0.4
Education Loans	3,980	0.4
Other Consumer Loans	25,579	2.4
Cash and Government Securities	55,214	5.2
Other Investments	86,507	8.1
Federal Home Loan Bank Stock	6,600	0.6
Investment in Service Corporations	21,236	2.0
Building and Equipment	13,765	1.3
Real Estate Owned	9,623	0.9
All Other Assets	70,633	6.6
Total Assets	$1,069,399	100.0%
LIABILITIES AND NET WORTH:		
Savings Deposits:		
Accounts with No Fixed Term	$ 141,861	13.3%
Certificates	702,072	65.7
Federal Home Loan Bank Advances	84,400	7.9
Other Borrowed Money	72,249	6.8
All Other Liabilities	21,997	2.1
Net Worth	46,820	4.4
Total Liabilities and Net Worth	$1,069,399	100.0%

Note: Components may not add to totals due to rounding.
*Preliminary.
Sources: Federal Home Loan Bank Board; United States League of Savings Institutions.

70. TOTAL ASSETS OF ALL SAVINGS ASSOCIATIONS
(MILLIONS OF DOLLARS)

Year-end	Mortgage Loans [1,2,4]	Cash and Investment Securities[3]	Real Estate Owned	FHLB Stock	Other Assets[2,3,4]	Total Assets[4]
1960	$ 60,070	$ 7,888	$ 158	$ 978	$ 2,382	$ 71,476
1965	110,306	12,123	1,065	1,236	4,850	129,580
1970	150,331	16,526	746	1,539	7,041	176,183
1971	174,250	21,042	775	1,550	8,406	206,023
1972	206,182	24,355	776	1,675	10,139	243,127
1973	231,733	21,055	910	2,075	16,132	271,905
1974	249,301	23,251	1,211	2,575	19,207	295,545
1975	278,590	30,853	1,662	2,600	24,528	338,233
1976	323,005	35,724	1,928	2,800	28,450	391,907
1977	381,163	39,150	1,787	3,200	33,941	459,241
1978	432,808	44,884	1,746	4,000	40,104	523,542
1979	475,688	46,341	1,806	4,900	50,227	578,962
1980	502,812	57,572	2,272	4,900	62,273	629,829
1981	518,547	63,123	3,320	5,500	73,677	664,167
1982	483,614	85,438	5,578	5,900	127,116	707,646
1983	494,789	104,274	7,871	6,000	160,483	773,417
1984	555,277	125,358	10,245	6,200	205,369	902,449
1985*	585,709	127,223	16,000	6,500	216,760	952,192

*Preliminary.
[1]Beginning in 1970, includes (1) junior liens; (2) real estate sold on contract; and (3) collateral loans secured by the assignment of first mortgage loans.
[2]Beginning in 1973, participation certificates guaranteed by the FHLMC, loans and notes insured by the Farmers Home Administration, and certain other government-insured mortgage-type investments, previously included in mortgage loans, are included in other assets.
[3]Beginning in 1973, GNMA-guaranteed mortgage-backed securities of the pass-through type, previously included in cash and investment securities, are included in other assets.
[4]Beginning in 1982, excludes certain balances that had been reported as liabilities and are now reported as contra-assets.
Sources: Federal Home Loan Bank Board; United States League of Savings Institutions.

71. TOTAL LIABILITIES OF ALL SAVINGS ASSOCIATIONS
(MILLIONS OF DOLLARS)

Year-end	Savings Deposits	FHLB Advances[1]	Loans in Process	Other Liabilities[2]	Net Worth[3]	Total Liabilities[2]
1960	$ 62,142	$ 2,197	$ 1,186	$ 968	$ 4,983	$ 71,476
1965	110,385	6,444	2,198	1,849	8,704	129,580
1970	146,404	10,911	3,078	3,389	12,401	176,183
1971	174,197	8,992	5,029	4,213	13,592	206,023
1972	206,764	9,782	6,209	5,132	15,240	243,127
1973	226,968	17,172	4,667	6,042	17,056	271,905
1974	242,974	24,780	3,244	6,105	18,442	295,545
1975	285,743	20,634	5,128	6,949	19,779	338,233
1976	335,912	19,083	6,840	8,074	21,998	391,907
1977	386,800	27,840	9,911	9,506	25,184	459,241
1978	430,953	42,907	10,721	9,904	29,057	523,542
1979	470,004	55,232	9,582	11,506	32,638	578,962
1980	510,959	64,491	8,767	12,221	33,391	629,829
1981	525,061	88,782	6,385	15,544	28,395	664,167
1982	567,961	97,850	[4]	15,602	26,233	707,646
1983	634,455	92,227	[4]	15,868	30,867	773,417
1984	724,301	126,169	[4]	17,215	34,764	902,449
1985*	752,260	138,680	[4]	19,959	41,293	952,192

*Preliminary.
[1]Includes other borrowed money.
[2]Beginning in 1982, excludes certain balances that had been reported as liabilities and are now reported as contra-assets.
[3]Beginning in 1970, excludes paid-in surplus of stock associations and specific reserves of all associations, but includes net undistributed income, which is accrued by most, but not all, associations.
[4]Loans in process are now reported as a deduction from mortgage loans.
Sources: Federal Home Loan Bank Board; United States League of Savings Institutions.

72. CONDENSED STATEMENT OF CONDITION OF FDIC-INSURED SAVINGS BANKS AS OF DECEMBER 31, 1984†

Item	Amount (Millions)	Percentage of Total
ASSETS:		
Total Loans and Leases	$107,927	60.3%
Cash and Due from Depository Institutions	4,524	2.5
Federal Funds Sold and Repurchase Agreements	3,096	1.7
Total Securities	53,940	30.1
Building and Equipment	1,579	0.9
Real Estate Owned	340	0.2
All Other Assets	7,645	4.3
Total Assets	$179,051	100.0%
LIABILITIES AND EQUITY CAPITAL:		
Total Deposits	$159,803	89.2%
Borrowed Money	8,417	4.7
All Other Liabilities	1,948	1.1
Subordinated Notes and Debentures	459	0.3
Equity Capital	8,424	4.7
Total Liabilities and Equity Capital	$179,051	100.0%

Note: Components may not add to totals due to rounding.
†1985 data not available.
Source: Federal Deposit Insurance Corporation.

73. TOTAL ASSETS OF ALL SAVINGS BANKS
(MILLIONS OF DOLLARS)

Year-end	Mortgage Loans	Cash and Government Securities	Nonmortgage Loans	Other Assets	Total Assets
1960	$ 26,935	$ 7,788	$ 416	$ 5,432	$ 40,571
1965	44,617	6,822	862	5,931	58,232
1970	57,948	6,540	2,255	12,252	78,995
1971	61,978	7,310	2,810	17,483	89,581
1972	67,556	8,797	2,979	21,261	100,593
1973	73,230	8,149	3,871	21,400	106,650
1974	74,920	7,825	3,812	22,993	109,550
1975	77,249	11,382	4,023	28,402	121,056
1976	81,639	13,881	5,183	34,109	134,812
1977	88,105	14,462	6,210	38,510	147,287
1978	95,157	15,295	7,195	40,527	158,174
1979	98,908	13,744	9,253	41,500	163,405
1980	99,865	15,673	11,733	44,293	171,564
1981	99,997	17,540	14,753	43,438	175,728
1982	94,452	19,132	16,957	43,656	174,197
1983	131,940	n.a.	n.a.	n.a.	244,501
1984	154,441	n.a.	n.a.	n.a.	288,085
1985*	177,193	n.a.	n.a.	n.a.	325,662

n.a. = not available.
*Preliminary.
Sources: Federal Deposit Insurance Corporation; Federal Home Loan Bank Board; Federal Reserve Board; National Council of Savings Institutions.

74. TOTAL LIABILITIES OF ALL SAVINGS BANKS
(MILLIONS OF DOLLARS)

Year-end	Savings Deposits	Borrowings and Mortgage Warehousing	Other Liabilities	General Reserve Accounts	Total Liabilities
1960	$ 36,343	n.a.	$ 678	$ 3,550	$ 40,571
1965	52,443	n.a.	1,124	4,665	58,232
1970	71,580	n.a.	1,689	5,726	78,995
1971	81,440	n.a.	1,810	6,331	89,581
1972	91,613	$ 125	1,899	6,956	100,593
1973	96,496	403	2,162	7,589	106,650
1974	98,701	818	2,070	7,961	109,550
1975	109,873	555	2,200	8,428	121,056
1976	122,877	401	2,482	9,052	134,812
1977	134,017	622	2,670	9,978	147,287
1978	142,701	1,594	2,972	10,907	158,174
1979	146,006	3,653	2,221	11,525	163,405
1980	153,501	4,511	2,184	11,368	171,564
1981	155,110	8,132	2,500	9,986	175,728
1982	155,196	7,048	2,718	9,235	174,197
1983	211,909	n.a.	n.a.	n.a.	244,501
1984	248,147	n.a.	n.a.	n.a.	288,085
1985*	271,673	n.a.	n.a.	n.a.	325,662

n.a. = not available.
*Preliminary.
Sources: Federal Deposit Insurance Corporation; Federal Home Loan Bank Board; Federal Reserve Board; National Council of Savings Institutions.

Federal Government Agency Data

75. FEDERAL HOME LOAN BANK DISTRICTS

District	FHL Bank City	State or Area
1	Boston	Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont
2	New York	New Jersey, New York, Puerto Rico, Virgin Islands
3	Pittsburgh	Delaware, Pennsylvania, West Virginia
4	Atlanta	Alabama, District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia
5	Cincinnati	Kentucky, Ohio, Tennessee
6	Indianapolis	Indiana, Michigan
7	Chicago	Illinois, Wisconsin
8	Des Moines	Iowa, Minnesota, Missouri, North Dakota, South Dakota
9	Dallas	Arkansas, Louisiana, Mississippi, New Mexico, Texas
10	Topeka	Colorado, Kansas, Nebraska, Oklahoma
11	San Francisco	Arizona, California, Nevada
12	Seattle	Alaska, Guam, Hawaii, Idaho, Montana, Oregon, Utah, Washington, Wyoming

Source: Federal Home Loan Bank Board.

76. MEMBERSHIP OF THE FHLB SYSTEM AT YEAR-END 1985

Bank District	Savings Associations				Savings Banks	Life Insurance Companies	Total Membership
		Insured by FSLIC					
	Total Number	Federally Chartered	State-chartered	Other State-chartered			
Boston	110	38	31	41	143	...	253
New York	209	78	129	2	70	...	279
Pittsburgh	203	82	105	16	14	...	217
Atlanta	550	330	220	...	49	...	599
Cincinnati	352	176	167	9	33	1	386
Indianapolis	143	101	42	...	26	4	173
Chicago	329	157	172	...	21	...	350
Des Moines	178	100	77	1	18	...	196
Dallas	447	147	300	...	42	...	489
Topeka	156	90	66	...	17	...	173
San Francisco	230	58	172	...	9	...	239
Seattle	106	62	44	...	29	...	135
Total	3,013	1,419	1,525	69	471	5	3,489

Source: Federal Home Loan Bank Board.

77. FHLB LENDING ACTIVITY
(DOLLAR AMOUNTS IN MILLIONS)

Year	Advances			
	Made	Repaid	Outstanding at Year-end	As a % of Member Assets
1960	$ 1,943	$ 2,097	$ 1,981	2.9%
1965	5,007	4,335	5,997	4.7
1970	3,255	1,930	10,615	6.2
1971	2,714	5,392	7,936	3.9
1972	4,792	4,750	7,979	3.4
1973	10,013	2,845	15,147	5.7
1974	12,763	6,106	21,804	7.5
1975	5,468	9,425	17,845	5.4
1976	8,114	10,097	15,862	4.1
1977	13,756	9,445	20,173	4.5
1978	25,297	12,800	32,670	6.3
1979	29,166	19,998	41,838	7.3
1980	36,585	29,460	48,963	7.9
1981	53,941	37,709	65,194	10.0
1982	53,744	52,928	66,011	9.5
1983	44,724	51,758	58,977	7.8
1984	91,239	75,598	74,616	8.4
1985*	n.a.	n.a.	88,835	n.a.

n.a. = not available.
Note: Components may not add to totals due to rounding.
*Preliminary.
Source: Federal Home Loan Bank Board.

78. FHLB CAPITAL STOCK, MEMBER DEPOSITS AND OBLIGATIONS
(MILLIONS OF DOLLARS)

Year-end	Capital Stock	Member Deposits	Obligations Outstanding†	Year-end	Capital Stock	Member Deposits	Obligations Outstanding†
1960	$ 989	$ 938	$ 1,266	1977	$3,295	$ 4,144	$16,009
1965	1,277	1,043	5,221	1978	4,120	6,206	25,109
1970	1,607	2,331	10,181	1979	5,149	9,253	30,372
1971	1,618	1,789	6,840	1980	5,160	10,074	37,268
1972	1,756	1,547	6,671	1981	5,827	11,914	54,131
1973	2,122	1,744	14,449	1982	6,269	14,732	55,967
1974	2,624	2,394	19,445	1983	6,395	11,873	48,931
1975	2,705	2,651	16,383	1984	7,200	18,844	65,086
1976	2,889	3,867	14,620	1985	8,313	23,309	74,460

†Beginning in 1970, excludes pass-throughs to FHLMC.
Source: Federal Home Loan Bank Board.

79. WEIGHTED RATE ON ADVANCES, BY FHLB DISTRICT, YEAR-END 1983-1985

Bank	1983	1984	1985
Boston	11.31%	11.22%	10.00%
New York	11.47	11.77	10.33
Pittsburgh	11.03	11.34	10.18
Atlanta	10.97	11.46	10.05
Cincinnati	10.86	11.31	10.53
Indianapolis	11.56	11.57	10.95
Chicago	11.58	11.60	10.74
Des Moines	11.83	11.29	10.31
Dallas	11.81	11.10	10.01
Topeka	11.42	11.68	11.05
San Francisco	11.07	11.29	10.28
Seattle	11.60	11.96	10.82

Source: Federal Home Loan Bank Board.

80. DIVIDEND RATES PAID, BY FHLB DISTRICT

Bank	1983	1984	1985
Boston	6.50%	8.75%	8.00%
New York	8.60	9.60	10.12
Pittsburgh	7.00	10.05	10.15
Atlanta	11.50	12.50	12.00
Cincinnati	7.63	9.56	9.28
Indianapolis	11.60	12.50	12.50
Chicago	11.25	12.50	10.69
Des Moines	11.00	14.25	12.00
Dallas	11.00	12.50	12.12
Topeka	10.56	10.63	10.60
San Francisco	1.60	7.25	7.65
Seattle	13.12	14.00	12.74

Source: Federal Home Loan Bank Board.

81. FHLB COMBINED STATEMENT OF CONDITION
(THOUSANDS OF DOLLARS)

Item	December 31, 1984	December 31, 1985
Assets:		
Cash	$ 1,128,493	$ 865,291
Investments	17,584,248	19,243,106
Advances	74,616,038	88,834,600
Other assets	3,662,619	3,236,290
Total Assets	$96,991,398	$112,179,287
Liabilities:		
Members' time deposits	$12,796,938	$ 16,478,561
Members' demand deposits	6,047,380	6,829,944
Total Deposits	$18,844,318	$ 23,308,505
Consolidated obligations	65,085,548	74,460,121
Other liabilities	4,357,582	4,305,779
Total Liabilities	$88,287,448	$102,074,405
Capital:		
Capital stock—all member-owned	$ 7,200,185	$ 8,313,248
Legal reserve	1,202,786	1,419,439
Dividend stabilization reserve	153,413	224,628
Undivided profits	147,566	147,567
Total Capital	$ 8,703,950	$ 10,104,882
Total Liabilities and Capital	$96,991,398	$112,179,287

Source: Federal Home Loan Bank Board.

82. FHLB COMBINED OPERATING STATEMENT
(THOUSANDS OF DOLLARS)

Item	Calendar Year 1984	Calendar Year 1985
Earned Income:		
Interest on advances	$7,515,787	$ 8,677,573
Income from investments	1,378,344	1,483,640
Miscellaneous	466,619	520,259
Total Earned Income	$9,360,750	$10,681,472
Expenses:		
Compensation and benefit costs	$ 78,933	$ 119,671
Administrative (including travel)	74,691	106,758
Interest and concessions on consolidated obligations	6,727,179	7,639,993
Interest on deposits	1,331,381	1,490,820
FHLB Board assessments	13,946	12,058
Other expenses	251,765	228,906
Total Expenses	$8,477,895	$ 9,598,206
Net Income	$ 882,855	$ 1,083,266
Allocation of Net Income:		
Dividends on stock	$ 718,896	$ 795,397
Legal reserve	176,570	216,653
Dividend stabilization reserve	(12,611)	71,215
Undivided profits	0	1

Source: Federal Home Loan Bank Board.

83. NUMBER OF FSLIC AND FDIC MEMBER INSTITUTIONS

Year-end	FSLIC-insured Institutions				FDIC-insured Banks	
	Savings Associations					
	Total	Federally Chartered	State-chartered	Savings Banks	Commercial Banks	Savings Banks
1960	4,098	1,873	2,225	. . .	13,126	325
1965	4,506	2,011	2,497	. . .	13,547	329
1970	4,365	2,067	2,298	. . .	13,511	329
1971	4,271	2,049	2,222	. . .	13,612	327
1972	4,191	2,044	2,147	. . .	13,733	326
1973	4,163	2,040	2,123	. . .	13,976	322
1974	4,141	2,060	2,081	. . .	14,230	320
1975	4,078	2,048	2,030	. . .	14,385	329
1976	4,044	2,019	2,025	. . .	14,411	329
1977	4,065	2,012	2,053	. . .	14,418	323
1978	4,053	2,000	2,053	. . .	14,391	325
1979	4,039	1,989	2,050	. . .	14,364	324
1980	4,002	1,985	2,017	3	14,435	323
1981	3,779	1,907	1,872	6	14,415	331
1982	3,343	1,727	1,616	6	14,451	315
1983	3,040	1,553	1,487	143	14,451	294
1984	2,938	1,478	1,460	229	14,481	267
1985	2,944	1,419	1,525	302	14,405	364

Sources: Federal Deposit Insurance Corporation; Federal Home Loan Bank Board; Federal Reserve Board.

84. FSLIC RESERVES AND FDIC DEPOSIT INSURANCE FUND
(DOLLAR AMOUNTS IN MILLIONS)

Year-end	FSLIC				FDIC	
	Primary Reserve	Secondary Reserve	Total Reserves	Percentage of Insured Liability†	Deposit Insurance Fund	Percentage of Insured Liability‡
1960	$ 381	. . .	$ 381	0.618%	$ 2,222	1.485%
1965	725	$ 812	1,537	1.353	3,036	1.448
1970	1,394	1,509	2,903	2.048	4,380	1.253
1971	1,529	1,458	2,987	1.767	4,740	1.265
1972	1,758	1,384	3,142	1.564	5,159	1.229
1973	2,076	1,378	3,454	1.563	5,615	1.206
1974	2,382	1,409	3,791	1.602	6,124	1.177
1975	2,740	1,380	4,120	1.478	6,716	1.180
1976	3,167	1,313	4,480	1.365	7,269	1.157
1977	3,653	1,220	4,873	1.286	7,993	1.154
1978	4,228	1,100	5,328	1.262	8,796	1.156
1979	4,891	957	5,848	1.269	9,793	1.211
1980	5,670	792	6,462	1.289	11,020	1.162
1981	5,557	599	6,156	1.198	12,246	1.238
1982	5,694	614	6,308	1.137	13,771	1.214
1983	5,764	661	6,425	0.963	15,429	1.216
1984	5,241	721	5,962	0.760	17,162	1.235
1985	n.a.	n.a.	6,400	0.720	n.a.	n.a.

n.a. = not available.
†Reserves as a percentage of the total accounts of insured depositors at all insured institutions.
‡Deposit Insurance Fund as a percentage of insured deposits.
Sources: Federal Deposit Insurance Corporation; Federal Home Loan Bank Board.

85. FSLIC COMPARATIVE STATEMENT OF CONDITION
(THOUSANDS OF DOLLARS)

Item	September 30, 1984	September 30, 1985
Assets:		
U.S. securities (par)	$6,238,472	$ 5,824,569
Accounts receivable and advances made (par)	76,874	363,383
Assets acquired from insured institutions (net)	869,028	130,570
Loans receivable (net)	917,107	1,039,983
Subrogated accounts in insured institutions	551,679	1,242,897
Secured advances due from receiver (net)	0	579,846
Capital certificates	731,989	1,482,554
Other assets	1,572	1,404
Total Assets	$9,386,721	$10,665,206
Liabilities:		
Accounts payable including funded accrued liabilities	$2,444,028	$ 3,168,517
Total Liabilities	$2,444,028	$ 3,168,517
Government Equity:		
Unexpended balances: unobligated balance	$4,572,326	$ 3,919,856
Invested capital	2,370,367	3,576,833
Total Government Equity	$6,942,693	$ 7,496,689
Total Liabilities and Government Equity	$9,386,721	$10,665,206

Source: Federal Home Loan Bank Board.

86. FSLIC COMPARATIVE OPERATING STATEMENT
(THOUSANDS OF DOLLARS)

Item	Fiscal Year 1984	Fiscal Year 1985
Income:		
Insurance premiums and admission fees	$ 580,414	$1,412,737
Interest on loans and investments	681,730	651,785
Other income	47,220	46,052
Total Income	$1,309,364	$2,110,574
Expenses:		
Administrative expenses and payments for FHLBB services	$ 26,761	$ 27,197
Contributions and provision for contributions to insured institutions	801,108	571,560
Liquidation expenses	126,174	922,915
Interest on notes payable	96,910	92,441
Other expenses	83,290	2,533
Total Expenses	$1,134,243	$1,616,646
Net Income	$ 175,121	$ 493,928

Source: Federal Home Loan Bank Board.

87. FDIC COMPARATIVE STATEMENT OF CONDITION
(THOUSANDS OF DOLLARS)

Item	December 31, 1983	December 31, 1984†
Assets:		
Cash	$ 88,785	$ 4,158
Investment in U.S. Treasury obligations (book value)	13,992,059	14,436,286
Accrued interest and other receivables	393,080	393,944
Notes receivable from insured banks	423,641	560,883
Assets acquired in assistance to an insured bank	0	4,457,429
Assets acquired from failures of insured banks	1,992,029	2,143,540
Property and buildings	36,969	41,701
Total Assets	$16,926,563	$22,037,941
Liabilities and the Deposit Insurance Fund:		
Accounts payable, accrued liabilities and escrow funds	$ 79,581	$ 100,478
Net assessment income credits due to insured banks	164,039	67,548
Liabilities incurred in assistance to insured banks	0	3,848,342
Liabilities incurred from failures of insured banks	1,253,763	859,641
Deposit Insurance Fund	15,429,180	17,161,932
Total Liabilities and Deposit Insurance Fund	$16,926,563	$22,037,941

†1985 data not available.
Source: Federal Deposit Insurance Corporation.

88. FDIC COMPARATIVE OPERATING STATEMENT
(THOUSANDS OF DOLLARS)

Item	Calendar Year 1983	Calendar Year 1984†
Income:		
Gross assessments earned less provision for assessment credits	$1,050,914	$1,254,039
Interest on U.S. Treasury obligations	1,404,325	1,495,378
Interest earned on notes receivable	65,065	111,730
Interest received on assets in liquidation	90,462	168,580
Other income	17,161	2,243
Total Income	$2,627,927	$3,031,970
Expenses and Losses:		
Administrative operating expenses	$ 135,660	$ 151,201
Merger assistance losses and expenses	127,486	197,559
Provision for insurance losses	675,119	933,374
Nonrecoverable insurance expenses	31,426	17,084
Total Expenses and Losses	$ 969,691	$1,299,218
Net Income	$1,658,236	$1,732,752

†1985 data not available.
Source: Federal Deposit Insurance Corporation.

89. FEDERAL DEPOSIT INSURANCE CORPORATION REGIONS

Region	State or Area
Atlanta	Alabama, Florida, Georgia, North Carolina, South Carolina
Boston	Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont
Chicago	Illinois, Indiana
Columbus	Kentucky, Ohio, West Virginia
Dallas	Colorado, New Mexico, Oklahoma, Texas
Kansas City	Kansas, Missouri
Madison	Michigan, Wisconsin
Memphis	Arkansas, Louisiana, Mississippi, Tennessee
Minneapolis	Minnesota, Montana, North Dakota, South Dakota, Wyoming
New York	New Jersey, New York, Puerto Rico, Virgin Islands
Omaha	Iowa, Nebraska
Philadelphia	Delaware, District of Columbia, Maryland, Pennsylvania, Virginia
San Francisco	Alaska, Arizona, California, Guam, Hawaii, Idaho, Nevada, Oregon, Utah, Washington

Source: Federal Deposit Insurance Corporation.

90. FEDERAL HOME LOAN MORTGAGE CORPORATION ACTIVITY
(MILLIONS OF DOLLARS)

Year	Mortgage Transactions		Loan Portfolio (Year-end)			Participation Certificates (Year-end)
	Purchases	Sales	Total	FHA-VA	Conventional	
1970	$ 325	...	$ 325	$ 325	...	...
1971	778	$ 113	968	821	$ 147	$ 64
1972	1,297	407	1,788	1,502	286	444
1973	1,334	409	2,604	1,800	804	791
1974	2,190	53	4,586	1,961	2,625	780
1975	1,713	1,521	4,987	1,881	3,106	1,143
1976	1,127	1,797	4,269	1,675	2,594	1,900
1977	4,160	4,647	3,267	1,450	1,817	5,408
1978	6,526	6,426	3,091	1,299	1,792	10,152
1979	5,621	4,544	4,052	1,159	2,893	12,922
1980	3,723	2,526	5,056	1,090	3,966	14,785
1981	3,800	3,532	5,237	1,047	4,190	17,925
1982	23,673	24,170	4,733	1,009	3,724	41,182
1983	23,089	19,686	7,633	942	6,691	56,412
1984	21,886	18,506	10,399	881	9,518	69,521
1985	44,000	20,500	13,244	n.a.	n.a.	99,300

n.a. = not available.
Source: Federal Home Loan Mortgage Corporation.

91. VA-GUARANTEED HOME MORTGAGE LOANS MADE
(DOLLAR AMOUNTS IN MILLIONS)

Year	Number	Amount	Year	Number	Amount
1960	145,000	$ 1,985	1977	389,000	$13,901
1965	164,000	2,652	1978	365,000	14,447
1970	168,000	3,440	1979	357,000	16,674
1971	282,000	5,961	1980	266,000	14,500
1972	370,000	8,293	1981	143,000	7,903
1973	316,000	7,467	1982	93,000	5,428
1974	310,000	8,206	1983	286,000	17,966
1975	299,000	8,884	1984	198,000	12,728
1976	329,000	10,419	1985	192,000	13,046

Source: Veterans Administration.

92. FHA-INSURED MORTGAGE AND OTHER LOANS MADE
(MILLIONS OF DOLLARS)

Year	Total	Home Mortgages	Project Mortgages	Property Improvement Loans
1960	$ 6,293	$ 4,601	$ 711	$ 982
1965	8,689	7,465	591	634
1970	11,982	8,114	3,251	617
1971	14,689	10,375	3,641	674
1972	12,320	8,067	3,448	805
1973	7,591	4,473	2,286	832
1974	5,915	3,934	1,225	756
1975	7,941	6,165	976	799
1976	9,746	6,362	2,315	1,071
1977	13,000	8,841	2,818	1,341
1978	16,098	11,140	3,270	1,688
1979	22,848	18,167	2,719	1,962
1980	22,301	16,458	4,197	1,646
1981	14,976	10,279	3,024	1,674
1982	14,105	8,087	4,464	1,554
1983	31,651	26,572	3,227	1,852
1984	17,749	14,525	1,867	1,357
1985	n.a.	n.a.	n.a.	n.a.

n.a. = not available.
Note: Components may not add to totals due to rounding.
Source: Federal Housing Administration.

93. FHA INTEREST RATE CEILINGS

Effective Date	One-family Homes†	Apartments†	Effective Date	One-family Homes†	Apartments†
January 5, 1970	8½%		April 3, 1980	14%	13%
December 2, 1970	8		April 28, 1980	13	13
January 13, 1971	7½		May 15, 1980	11½	13
February 18, 1971	7		July 7, 1980	11½	12
August 10, 1973	7¾		August 20, 1980	12‡	12
August 25, 1973	8½		September 22, 1980	13‡	13
January 22, 1974	8¼		November 24, 1980	13½‡	13½
April 15, 1974	8½		March 9, 1981	14‡	14
May 13, 1974	8¾		April 13, 1981	14½‡	14½
July 8, 1974	9		May 8, 1981	15½‡	15½
August 14, 1974	9½		August 17, 1981	16½‡	16½
November 25, 1974	9		September 15, 1981	17½‡	17½
January 21, 1975	8½		October 12, 1981	16½‡	17½
March 3, 1975	8		November 9, 1981	16½	17½
April 28, 1975	8½		November 16, 1981	15½	16½
September 2, 1975	9		January 25, 1982	16½	16½
January 5, 1976	8¾%	9%	March 2, 1982	15½	16½
March 30, 1976	8½	9	August 9, 1982	15	16
October 18, 1976	8	9	August 24, 1982	14	15
May 31, 1977	8½	9	September 24, 1982	13½	14½
February 28, 1978	8¾	9	October 13, 1982	12½	13½
May 23, 1978	9	9	November 15, 1982	12	13
June 29, 1978	9½	9½	May 9, 1983	11½‡	11½
April 23, 1979	10	9½	June 8, 1983	12‡	12
September 26, 1979	10½	9½	July 11, 1983	12½‡	12½
October 1, 1979	10½	10	August 1, 1983	13½‡	13½
October 26, 1979	11½	11	August 23, 1983	13‡	13
February 11, 1980	12	12	November 1, 1983	12½‡	12½
February 28, 1980	13	13	December 1, 1983	none	none

†Excludes insurance premium.
‡½ of 1% higher for graduated payment mortgages.
Source: Federal Housing Administration.

94. FNMA ACTIVITY
(MILLIONS OF DOLLARS)

Year	Loan Purchases	Loan Sales	Total Portfolio (Year-end)	Mortgage-backed Securities (Year-end)
1960	$ 980	$ 42	$ 2,903	...
1965	757	46	2,520	...
1970	5,078	...	15,502	...
1971	3,574	336	17,791	...
1972	3,699	211	19,791	...
1973	6,127	71	24,175	...
1974	6,953	4	29,578	...
1975	4,263	2	31,824	...
1976	3,606	86	32,904	...
1977	4,780	67	34,370	...
1978	12,303	5	43,311	...
1979	10,812	...	51,091	...
1980	8,099	...	57,327	...
1981	6,112	2	61,412	$ 717
1982	15,116	2	71,814	14,450
1983	17,554	3,528	78,256	25,121
1984	16,721	978	88,109	36,215
1985	21,510	1,301	98,549	54,987

Note: Data adjusted to exclude functions transferred to GNMA in 1968.
Source: Federal National Mortgage Association.

95. GNMA LOAN PORTFOLIO, BY FUNCTION
(MILLIONS OF DOLLARS)

Year-end	Special Assistance	Management & Liquidation	Total Portfolio
1965	$1,340	$ 953	$2,293
1970	3,401	1,821	5,222
1971	3,648	1,673	5,321
1972	3,824	1,287	5,111
1973	3,576	469	4,045
1974	4,440	409	4,849
1975	6,884	358	7,242
1976	4,102	305	4,407
1977	2,989	260	3,249
1978	2,521	220	2,741
1979	2,404	199	2,603
1980	2,806	162	2,968
1981	3,698	141	3,839
1982	3,977	125	4,102
1983	3,374	91	3,465
1984	3,060	80	3,140
1985	...	1,634	1,634

Source: Government National Mortgage Association.

96. GNMA MORTGAGE-BACKED SECURITY PROGRAM
(MILLIONS OF DOLLARS)

Year	Pass-through Securities		Bonds Sold
	Applications	Issues	
1970	$ 1,126	$ 452	$1,315
1971	4,374	2,702	300
1972	3,854	2,662	...
1973	5,529	3,249	...
1974	6,203	4,784	...
1975	10,449	7,366	...
1976	25,394	13,765	...
1977	31,076	16,230	...
1978	35,014	15,359	...
1979	53,820	24,592	...
1980	58,701	20,648	...
1981	36,915	14,253	...
1982	38,865	16,012	...
1983	70,280	50,496	...
1984	36,101	27,857	...
1985	64,630	45,868	...

Source: Government National Mortgage Association.

97. MAJOR FEDERAL LAWS AFFECTING THE SAVINGS INSTITUTIONS BUSINESS

Date	Law	Key Provisions
1932	Federal Home Loan Bank Act	Established the Federal Home Loan Banks under the supervision of the Federal Home Loan Bank Board to provide a central credit facility for home financing institutions.
1933	Banking Act	Created the Federal Deposit Insurance Corporation to insure demand and time deposits at commercial banks and savings banks.
1933	Home Owners' Loan Act	Authorized the creation under the FHLBB of a system of federally chartered and supervised savings and loan associations.
1934	National Housing Act	Established the Federal Savings and Loan Insurance Corporation to insure savings accounts at member associations; created the Federal Housing Administration to insure mortgage and other loans made by private lenders.
1944	Servicemen's Readjustment Act (The G.I. Bill of Rights)	Established a program of loan guarantees under Veterans Administration auspices to encourage private lending on generous terms to veterans of the armed forces.
1949	Housing Act	Established national housing goals of "a decent home and suitable living environment for every American family"; provided grants to municipalities for public housing and slum clearance; set up a program of financial assistance for rural areas under the Farmers Home Administration.
1961	Housing Act	Authorized new programs for federal involvement in housing, including subsidized rental housing for low- and moderate-income families; expanded funding for FNMA special assistance functions.
1968	Housing and Urban Development Act	Gave federal associations the authority to invest in mobile home and home equipment loans; expanded their authority to issue a wide variety of savings plans, notes, bonds and debentures.
1970	Emergency Home Finance Act	Created the Federal Home Loan Mortgage Corporation, under the FHLBB, to provide a secondary market for conventional, FHA and VA mortgages.
1974	Housing and Community Development Act	Liberalized the types and amounts of loans a federal association may make.
1974	Equal Credit Opportunity Act	Prohibited discrimination in credit transactions on the basis of sex or marital status.
1974	Real Estate Settlement Procedures Act	Provided comprehensive guidelines for loan closing costs and settlement practices.
1975	Regulation Q and Home Mortgage Disclosure Act	Required most financial institutions to disclose the number and dollar amount of mortgage loans made, by geographical area.
1976	Equal Credit Opportunity Act Amendments	Broadened the scope of ECOA to forbid discrimination in credit transactions on seven additional bases.
1976	Tax Reform Act	Reduced certain allowable federal income tax deductions for savings institutions and increased the minimum tax rate; liberalized IRA and Keogh account provisions.

Date	Law	Key Provisions
1977	Housing and Community Development Act	Liberalized association lending limits; required financial institution regulatory agencies to take into account an institution's record of serving the credit needs of its community when evaluating applications for new facilities, mergers and other matters.
1978	Financial Institutions Regulatory and Interest Rate Control Act	Increased FDIC and FSLIC insurance limits for IRA and Keogh accounts from $40,000 to $100,000; provided for FHLBB chartering of federal savings banks; amended Consumer Credit Protection Act establishing rights and responsibilities for electronic funds transfers.
1980	Depository Institutions Deregulation and Monetary Control Act	Shifted deposit account authority from individual depository institution regulators to a Deregulation Committee; increased FSLIC and FDIC insurance for all accounts from $40,000 to $100,000; gave the Federal Reserve authority to set reserve requirements on short-term accounts at all depository institutions; extended the federal override of state usury ceilings on various loans; authorized NOW accounts nationwide.
1982	Garn-St Germain Depository Institutions Act	For all depository institutions, preempted or severely limited state due-on-sale clause and alternative mortgage loan restrictions; granted broader powers to the federal deposit insurance corporations; mandated the phaseout of the savings interest rate differential by 1/1/84. For insured institutions with deficient net worth, provided for FSLIC and FDIC assistance to bring net worth to required levels, in the form of insurance corporation notes exchanged for net worth certificates issued by the institution. For savings institutions, eased charter and conversion limits. For federal associations, created or expanded lending and investment authority; authorized the acceptance of demand deposits from business and agricultural loan customers; removed mortgage loan-to-value ratio limits.
1983	Supplemental Appropriations Act	Clarified 1982 federal preemption of state restrictions on due-on-sale clauses and alternative mortgage instruments; eliminated rate ceilings on FHA loans; created FHA programs for alternative mortgages.
1984	Deficit Reduction Act	Reduced the tax benefits from certain corporate tax preference items; simplified tax credit rules; extended the tax exemption for qualified mortgage subsidy bonds; phased out graduated tax rates for large corporations; created new reporting procedures for mortgage interest, property foreclosure or abandonment, and IRAs.
1984	Secondary Mortgage Market Enhancement Act	Exempted mortgage-backed securities from state securities laws; authorized FHLMC to purchase manufactured home loans; authorized FHLMC and FNMA to purchase second mortgages.
1984	Comprehensive Crime Control Act	Prohibited financial institution employees from accepting anything of value from anyone in connection with any transaction or business dealing.

98. MAJOR REGULATORY CHANGES AFFECTING SAVINGS INSTITUTIONS

Date Effective	Item	Provisions
Jan. 1985	Money market deposit accounts	Minimum required balance is reduced from $2,500 to $1,000.
Jan. 1985	Changes in Keogh, corporate and other qualified plans	IRS issues new survivor annuity rules to protect the rights of spouses of married participants in qualified plans.
Mar. 1985	Net worth requirements	FSLIC-insured institutions must increase net worth reserves depending on rate of growth. Institutions with more than $100 million in assets must seek permission from the FHLBB to grow faster than 25% a year. Greater net worth is required for institutions with direct investments. Also gradually eliminates the five-year averaging used to calculate net worth levels. Instead, levels must be calculated and met based on a "snapshot" of each institution's asset size at the end of every quarter.
Mar. 1985	Direct investments	Creates a process of supervisory review and approval of certain types of direct investments in equity securities, real estate and subsidiary companies by FSLIC-insured savings institutions. Also requires institutions to post a 10% reserve against all direct investments made after December 10, 1984, but only if such investments exceed the greater of 10% of the institution's assets or twice its regulatory net worth.
Oct. 1985	Distribution of adjustable rate mortgage information	FSLIC-insured institutions must provide all ARM applicants a copy of the Federal Reserve/Federal Home Loan Bank Board's "Consumer Handbook on Adjustable Rate Mortgages" or its equivalent.
Oct. 1985	Loan prepayment penalty	Under certain conditions, prohibits lender from imposing prepayment penalties with respect to loans on the security of borrower-occupied homes.
Dec. 1985	Loan classification of assets	Permits examiners of FSLIC-insured savings institutions to classify questionable loans and other assets for the purposes of requiring general and specific reserve allocations.
Jan. 1986	Credit practices	Covers consumer as well as certain equity mortgage and manufactured (mobile) home loans. Prohibits the use of certain contract provisions and the pyramiding of late charges, and requires that potential cosigners receive notice of consumer credit obligations.
Jan. 1986	Deposit account ceilings lifted	The $1,000 minimum requirement on the money market deposit account, super NOW account, and 7- to 31-day account is eliminated.The 5.25% interest rate ceiling on the NOW account is also lifted.
Jan. 1986	Mortgage interest reporting	Savings institutions must furnish reports to mortgage payers from whom they receive $600 or more of mortgage interest per year. Institutions also must provide this information to the IRS.
Mar. 1986	Interest rate ceilings lifted	The 5.5% ceiling on passbook accounts is lifted. Final phase of savings deregulation is completed. DIDC is terminated.
Mar. 1986	Self-directed retirement plans	Savings institutions are empowered to offer self-directed retirement plans without applying expanded trust powers.

Glossary

adjustable rate loan: any loan on which the interest rate may be changed, either at set intervals or whenever movement occurs in a specified index.

advance: a loan of funds; in the savings institutions business, usually a loan from a Federal Home Loan Bank to a member institution.

alternative mortgage instrument: any loan contract that differs from the traditional fixed rate, long-term, fixed payment mortgage. The AMI may be written for a short term with a renewal clause; provide for changes in the monthly payment, term, interest rate or other loan element; or contain some other creative provision.

appraised equity capital: the difference between the book value and market value of certain savings institution assets such as land and improvements; may be counted as net worth.

asset reserves: funds set aside against transaction account and other short-term deposit balances, as required by the Federal Reserve Board of all except very small depository institutions; held in the form of cash and nonearning deposits at a Federal Reserve Bank.

balloon loan: a loan on which the entire balance becomes due after a specified time such as three or five years; the borrower pays interest regularly, and may or may not make small principal repayments during the loan's term.

bond-type security: an investment security, especially a mortgage-based one, that has the characteristics of a typical corporate bond, including long term, fixed rate of return and repayment of principal at maturity. See also **pass-through security.**

certificate account: a savings deposit made for a fixed or specified minimum term, usually subject to a penalty (such as loss of interest) for early withdrawal.

checking account: a transaction account that permits unlimited withdrawals, transfers and payouts of funds but that cannot, by federal law, earn interest.

club account: a savings account program designed to help people save for specific goals such as Christmas or vacations; provides for deposits each payday and a one-time lump-sum withdrawal; earns interest at up to the passbook rate.

collateralized mortgage obligation: a mortgage-backed security that passes borrower payments into a trusteed pool, from which principal and interest are paid to security holders class by class, with one class completely paid off before any principal is repaid to the next greater maturity class.

commercial loan: a loan not secured by a pledge of real estate, made to a business for commercial purposes.

consolidated obligation (FHLB): a debt security issued by the Federal Home Loan Banks over the signature of the FHLBB chairman; the financing needs of the various regional Banks are consolidated into larger issues for the capital markets.

construction loan: a mortgage loan made to finance real estate construction; may include funds for land acquisition; may provide for permanent long-term financing upon completion of construction.

consumer loan: a loan made to individuals for any nonbusiness purpose except the construction or purchase of real estate; also called a nonmortgage loan.

conventional loan: a loan not insured or guaranteed by a government agency; may be privately insured.

credit or equity instrument: any direct market investment representing an ownership share in or a loan of funds to a corporation or government body, including stocks, bonds, bills, notes and debentures.

depository institution: a financial intermediary that accepts savings or demand deposits from the general public.

direct market investment: any investment in a credit or equity instrument that is made directly with the seller or borrower and not through a financial intermediary.

discount note: a short-term debt security sold at less than face value but redeemed at maturity at full value; the difference between the purchase price and redemption amount is the equivalent of interest paid for the use of the funds.

earnings-based account: a savings deposit on which part of the interest payment is tied to the rate of return on earmarked assets; also called an equity account or equity certificate.

education loan: a nonmortgage loan made to a consumer to finance college or vocational school education or similar training.

family: see **household.**

FHA loan: a mortgage, mobile home or property improvement loan made by a private lender and insured by the Federal Housing Administration.

financial intermediary: a corporation whose operating profit comes primarily from acting as a middleman between those with surplus funds to save or invest and those who want to borrow; accepts money from savers or investors and, in turn, lends the funds in the intermediary's own name to borrowers.

fixed rate loan: a loan made for a predetermined rate of interest that does not change over the life of the contract.

forward commitment: a definite promise to do something at a future time or within a specified period, such as make loans or purchase mortgages.

general reserves: all reserve accounts on a balance sheet except those earmarked for specific potential losses.

graduated payment mortgage loan: a home mortgage loan on which the monthly payments start at a low level and gradually rise at a predetermined rate, based on the assumption that the homeowner's income will increase over time; in the early years of the loan, negative amortization may occur.

growing equity mortgage loan: a home mortgage loan on which the payments increase according to an agreed-upon schedule, based on the assumption that the homeowner's income will increase over time; the initial payment level is sufficient to amortize the loan over a long term such as 30 or 40 years; the payment increases prepay loan principal, however, so that the loan actually is paid off in many fewer years.

home: a residential structure containing one to four dwelling units; a condominium unit, regardless of the number of units in the building.

home improvement loan: a loan to finance the repair, modernization or improvement of residential real estate; also called a property improvement loan; when secured by a mortgage, classed with other mortgage loans on the balance sheet.

home loan; home mortgage loan: a residential mortgage loan secured by one- to four-family property or a condominium unit.

household: all persons occupying a separate housing unit that has either direct access to the outside or a public area, or separate cooking facilities; when the members are related by law or blood, called a family.

household funds: in the Federal Reserve Board's Flow of Funds Accounts, the financial assets and liabilities of households, businesses, financial institutions and government units.

income capital certificate: an FHLBB certificate that is an agreement to pay back a corporation's loan, plus interest, when and if an association in financial difficulty gets into a better position. Payments are installments and are always less than the association's net income.

individual retirement account: a trust-type savings deposit arrangement; exempt from federal income tax on account earnings and new funds deposited, up to specified limits, until the saver retires.

industrial loan: a loan to a business for manufacturing or industrial, as opposed to commercial, purposes.

insurance fund: the reserves accumulated by the FDIC over the years to offset any claims made by depositors of defaulted insured institutions.

insured institution: a savings association or savings bank whose deposits are insured by the Federal Savings and Loan Insurance Corporation or the Federal Deposit Insurance Corporation.

IRA: see **individual retirement account**.

jumbo certificate: a market rate certificate savings account of more than $100,000.

Keogh account: a trust-type savings account for self-employed individuals and their employees; exempt from federal income tax on account earnings and new funds deposited, up to specified limits, until the saver retires.

liability reserves: see **general reserves** and **net worth**.

liquidity: investments readily convertible to cash without significant loss; specified types of such investments held by member institutions to satisfy FHLBB requirements for short-term and overall liquidity.

loan discounts and fees: charges made by most mortgage and nonmortgage lenders for processing loan applications and writing new loans.

loans in process: the contra-asset account representing funds not yet paid out on existing loans.

manufactured home loan: a loan to finance the purchase of a manufactured (mobile) home; may include funds for associated costs such as transportation and setup.

mobile home loan: see **manufactured home loan.**

money market deposit account: a savings deposit not subject to rate ceilings, minimum balances or a minimum term; may have up to six preauthorized transfers a month.

money market fund; money market mutual fund: a mutual fund investing in short-term money market securities and selling shares in low minimum amounts to the public.

mortgage-backed security: any of a variety of investment securities representing shares in a pool of mortgage loans; often guaranteed by the Government National Mortgage Association (Ginnie Mae) or privately insured.

mortgage loan: an advance of funds to a borrower secured by the pledge of real estate; the pledge ends when the debt is discharged.

mortgage warehousing: a contra-asset account representing mortgages made by an institution and earmarked for inclusion in a pool that will underlie a mortgage-backed security; mortgages in the pipeline between origination and securitization.

multifamily housing: a residential structure containing five or more dwelling units.

mutual capital certificate: a long-term debt security issued by a federal mutual institution, subordinated to all other claims on assets; not covered by federal insurance of accounts; may be counted as net worth for regulatory purposes.

mutual institution: a savings institution owned solely by its customers—current savers and borrowers—who elect the board of directors and, if the institution goes out of business, share pro rata in any assets remaining after all liabilities have been paid.

net new retail savings: the total of funds placed in new and existing accounts except $100,000-minimum certificates, excluding interest credited, less withdrawals from these accounts, over a given period.

net new savings: the total of funds placed in new and existing accounts, excluding interest credited, over a given period.

net worth: the amount by which savings institution assets exceed liabilities, maintained at least at the minimum level required by regulation; a cushion to protect savers against any losses on loans and other investments; consists of federal insurance and general reserves, paid-in surplus, undivided profits, subordinated debentures, appraised equity capital, net worth certificates, income capital certificates and mutual capital certificates (for a mutual institution) or permanent stock (for a stock institution).

net worth certificate: a special security issued by a depository institution with a net worth deficiency; it is then exchanged for a promissory note from the FDIC or FSLIC; the institution redeems its NWC when it returns to profitability and can make all required allocations to net worth.

nonmortgage loan: see **consumer loan.**

notice account: a savings account that permits the addition of any amount at any time but requires a specified number of days' notice for withdrawals in order to earn a rate higher than that on passbook accounts.

NOW account: a savings account that allows check-like drafts (negotiable orders of withdrawal) to be drawn against the interest-bearing deposit; a regular NOW account has an interest rate ceiling, while a super NOW, with a $1,000 minimum balance, is ceilingless.

operating expense: costs incurred in the normal operation of a saving institution or other business, as opposed to outlays and losses arising from extraordinary circumstances such as a lawsuit (nonoperating expense).

operating income: income arising from the normal operation of a savings institution or other business, as opposed to funds received from extraordinary events such as the one-time sale of an office building (nonoperating income).

operating loss carryback; operating loss carryover: a provision of income tax law that allows businesses that experience an excess of operating expense over operating income in one tax year to use part of that loss to offset income in a past or future tax period.

ordinary savings: the term used by some savings banks to refer to passbook accounts.

over-the-counter savings: savings accounts and time deposits at depository institutions.

participations: mortgage loans made jointly by two or more lenders or owned jointly by two or more investors.

passbook account: a no-minimum-balance savings account that permits the addition or withdrawal of any amount at any time without penalty.

pass-through security: a security representing an interest in an underlying pool of mortgages, on which payments received on the underlying pool are passed through to the security investor.

personal savings: in the Department of Commerce's National Income Accounts, the balance remaining after estimated outlays for goods and services are subtracted from the after-tax income of individuals and families.

primary reserve: with the secondary reserve, the funds set aside by the FSLIC over the years to offset any claims made by depositors of defaulted insured institutions.

private mortgage insurance: insurance offered by a private company that (a) protects a lender against loss on a defaulted mortgage loan up to policy limits, often 10% to 25% of the total loan amount; or (b) protects owners of mortgage-backed securities against losses on the underlying loans up to policy limits, often 5% of the total principal.

public unit account: a savings account containing the funds of a state, county, municipality or other government unit or subdivision.

purchase loan: a mortgage loan made to finance the purchase of existing real estate, secured by a pledge of that real estate.

real estate loan: see **mortgage loan.**

real estate owned: real property acquired by a mortgage lending institution as a result of its lending operations, after a borrower defaults.

regular deposit: any account at a savings bank except a checking, club or school account.

retail savings: all savings deposits except jumbo certificates.

return on assets: net after-tax income for a given period of time, divided by average assets, net of contra-asset items.

savings account loan: a loan secured by a pledge of funds in a savings account at the same institution; often used by savers who want to avoid penalties for early withdrawal from a certificate account.

savings association: a state-chartered or federally chartered financial intermediary that accepts deposits from the public and invests those funds primarily in residential mortgage loans; in various jurisdictions, also called a savings and loan association, co-operative bank, homestead society or building and loan association.

savings bank: a state-chartered or federally chartered financial intermediary that accepts deposits from the public and invests those funds in a variety of secure investments, mainly mortgage loans; also called a mutual savings bank.

savings institution: a savings association or savings bank.

school savings plan: a special account for young people, offered by some savings banks, that is exempt from most of the regulatory requirements that apply to other types of savings accounts.

secondary mortgage market: the aggregate buying, selling and trading of existing mortgage loans and mortgage-backed securities.

secondary reserve (FSLIC): see **primary reserve**.

service corporation: a regulated business organization wholly owned by one or more savings institutions, which may engage in specified business activities that the parent(s) cannot or does not want to engage in, such as real estate development and management, insurance agency and brokerage services, or the sale of clerical and computer services.

specific reserve: a balance sheet account containing funds set aside to absorb possible losses on a specific loan or business transaction.

speculatively built home: a one- to four-family home on which construction has begun without a contract having been signed with any buyer.

subordinated debenture: a long-term debt security issued by a savings institution, subordinate to savers' claims on assets; may be counted as regulatory net worth.

super NOW account: see **NOW account.**

surplus account: a balance sheet account containing net profits from prior operating periods that were not distributed to savers in interest or paid to stockholders as dividends; a component of net worth at many savings institutions.

tax preference item: the amount of tax saving generated by the use of certain "loophole" provisions in the tax code; a special minimum tax is imposed on users of these provisions to ensure that they cannot completely avoid federal tax liability.

thrift institution: a depository financial intermediary that promotes thrift by offering savings deposit facilities to consumers; included are savings associations, savings banks and credit unions.

time deposit: any savings deposit with a definite term or notice period; excludes transaction and passbook account funds.

transaction account: a deposit from which payments may be made directly to a third party on the depositor's negotiable or non-negotiable order; includes NOW accounts, checking accounts and third-party payment accounts.

turnover ratio: the inflows from an investment portfolio over a given period of time, expressed as a percentage of the average portfolio over that period.

VA loan: a mortgage or manufactured home loan guaranteed by the Veterans Administration.

valuation reserve: an allowance set aside to cover the risk that the principal and interest on an investment such as a loan or security will not be repaid according to contract.

variable rate certificate: a certificate account on which the interest rate varies during the term of the deposit according to a predetermined schedule, formula or index.

variable rate mortgage loan: a mortgage loan on which the interest rate may be adjusted periodically in accordance with changes in an agreed-upon index.

Index

Adjustable rate mortgage loans, 10, 16, 19, 31, 68
Advances, FHLB, 16, 53, 54, 58, 59
Alternative mortgage instruments, 9-10, 14, 67
Apartments, 40, 41, 43, 44
Appraised equity capital, 12
Asset reserves, 12-13
Assets, savings institution
  compared to other intermediaries, 45
  distribution by size, 45
  FDIC members, 47
  federally chartered, 46
  FSLIC members, 46, 47
  geographic distribution, 48
  nonperforming, 18
  percentage in mortgage loans, 9
  return on, 14, 51, 52
  state-chartered, 46
  stock, 46
  total, 45, 46, 47, 48, 53, 54, 55
  types, 11-12, 53, 54, 55
  utilization ratio, 52
Automobile loans, 10

Balance sheet, 11, 53, 55, 68
Balloon mortgage loans, 9-10
Bank failures, 18
Banking Act of 1933, 66
Boeckh index of residential construction costs, 43
Bonds, 23, 27, 30, 55
Borrowing by savings institutions, 11, 13, 49, 50, 51, 53, 56, 68
Branch offices, 52
Brokerage services, 8
Building and equipment, 53, 55

Cash. *See* Investments
Certificate accounts, 7, 25, 53, 55. *See also* Savings accounts, savings institution
Charters, 5, 15
Checking accounts, 8, 55, 67. *See also* Transaction accounts
Children's savings, 8
Club accounts, 8
Collateralized mortgage obligations, 10
Commercial and agricultural loans, 11
Commercial banks
  assets, 45
  FDIC membership, 60
  insurance of accounts, 17
  mortgage loans, 28, 29, 30, 33
  reserves, 12
  savings, 22, 23
Commercial property loans, 27, 28
Compensation of employees, 50
Comprehensive Crime Control Act, 67
Consolidated obligations, FHLB, 16, 58, 59
Construction loans, 38
Construction, residential, 8, 39-43
Consumer credit outstanding, 27
Consumer Credit Protection Act, 67
Consumer leasing, 8
Consumer loans, 10-11, 53, 55, 66, 67
Consumer prices, 43
Conventional mortgage loans, 9, 30, 31, 32, 63
Conversions of savings institution charters, 5
Corporate stocks and bonds, 11, 18, 23, 27, 30, 55
Credit and equity instruments, 22, 68
Credit cards, 8, 10
Credit outstanding, major types, 27
Credit unions, 22, 23, 45

Debit cards, 8
Deficit Reduction Act, 67
Demand deposits, 8, 56, 68. *See also* Transaction accounts
Depository Institutions Deregulation Act, 13, 67
Depository Institutions Deregulation Committee, 7
Deregulation, 6, 7, 11, 13, 18, 68
Developer-built housing, 41
Disposable personal income, 6, 21, 22
Due-on-sale clauses, 67

Earnings, 13-15, 49, 50, 51
Earnings-based accounts, 7
Education loans, 10, 53
Emergency Home Finance Act, 66
Employees, 50, 53
Equal Credit Opportunity Act, 66
Equity. *See* Net worth
Examinations of savings institutions, 5, 6, 15, 17
Expense, 13, 49, 50, 51

Family formations, 44
Farm loans, 27, 28
Farmers Home Administration, 66
Federal agencies in housing and mortgage markets, 10, 15-17, 18-19, 29, 33, 56-59, 63-65, 66, 67
Federal Asset Disposition Association, 18
Federal debt, 27

Federal Deposit Insurance Corporation, 17-18, 60, 62-63, 66, 67
assessment rate, 18
net worth certificates, 12-13, 17, 67
regulations for savings institutions, 17
savings institutions insured, 6, 17-18, 47, 60
Federal Home Loan Bank Act, 66
Federal Home Loan Bank Board, 5, 11-12, 15-16, 18
Federal Home Loan Bank System, 15-16, 29, 56-59, 66
advances to members, 53, 54, 58, 59
assessments, 18
assets, 15
capital stock, 53, 54, 58, 59
consolidated obligations, 16, 58, 59
district Banks, 15-16, 56
dividend rates paid, 58
examination functions, 15
membership, 15, 57
Federal Home Loan Mortgage Corporation, 15, 16-17, 29, 63, 66, 67
Federal Housing Administration, 18-19, 32, 64, 66, 67
Federal National Mortgage Association, 19, 29, 30, 65, 66, 67
Federal Reserve Board regulations for savings institutions, 12-13, 67, 68
Federal Savings and Loan Insurance Corporation, 15, 17-18, 60-61, 66, 67
assessment rate, 18
membership, 6, 18, 46, 47, 60
net worth certificates, 12-13, 16, 67, 68
regulations for savings institutions, 11-12, 17, 68
savings institutions insured, 6, 17-18, 46, 47, 60
Finance companies, assets, 45
Financial futures, 19
Financial Institutions Regulatory and Interest Rate Control Act, 67
Financial intermediaries, types, 5, 45
Fixed rate mortgage loans, 16, 19, 31
Foreclosures, 32
406 Corporation. *See* Federal Asset Disposition Association
Futures markets, 19

Garn-St Germain Depository Institutions Act, 5, 6, 7, 8, 11, 12, 17, 67
General reserves. *See* Reserves
Government National Mortgage Association, 10, 19, 29, 65
Government securities, 23, 27, 55
Graduated payment mortgage loans, 9, 16
Gross national product, 8, 40
Growing equity mortgage loans, 9

Home equipment loans, 66
Home improvement loans, 10, 53
Home Mortgage Disclosure Act, 66
Homeownership, 8-9, 43
Home Owners' Loan Act, 66
Home purchase loans, 38
Household formations, 44
Household savings, 22
Housing
absorption rates, 44
condominiums, 19
construction, 8, 39-43
conventional homes, 19
developer-built, 41
financing, 8-9, 27-38. *See also* Mortgage loans, savings institution
market, 41-43
mobile homes, 19, 43
multifamily, 40, 41, 43, 44
one- to four-family, 40, 41, 42, 44
owner-occupied, 8, 43, 44
public, 39, 66
rental, 40, 41, 43, 44
sales, 41, 42
single-family. *See* Housing, one- to four-family
starts, 39, 40, 41
subsidized, 18-19, 39
unsold, 41
vacancy rates, 44
Housing Acts, 66
Housing and Community Development Act, 66, 67
Housing and Urban Development Act, 66
Housing and Urban Development, Department of, 18, 19

Income
personal, 6, 21
savings institution, 13-15, 49, 50, 51
taxes. *See* Taxes
Income capital certificates, 12
Individual retirement accounts, 8, 26, 67
Insurance
of deposits, 6, 17-18, 46-47, 60, 66, 67
of loans, 9, 18, 32, 63-64, 66, 67
of mortgage-backed securities, 9-10, 19, 65
Insurance companies. *See* Life insurance companies
Interest rate ceilings
differential, 7, 67
loans, 19, 64, 67
savings, 7, 68

Interest rates
caps on, 16
corporate bonds, 23, 30
direct market, 9, 14
FHLB advances, 57, 58
FHLB obligations, 58
government obligations, 23
mortgage loans, 10, 14, 19, 30, 31, 64
savings, 23, 24
utility issues, 30
Inventory of unsold homes, 41
Investment companies, assets, 45
Investments, 11, 12, 13, 18, 50, 53, 54, 55, 68
Investment tax credits, 14

Jumbo certificates, 25

Keogh accounts, 8, 67, 68

Leasing, consumer, 8
Liabilities, 6, 11-13, 53, 54, 55, 56
Life insurance companies
assets, 45
FHLB membership, 15, 57
mortgage loans, 28, 29, 30
reserves, 22
Life insurance, savings institution, 8
Liquidity, 11-12, 13. *See also* Investments
Loans in process, 54

Manufactured housing. *See* Mobile homes
Mobile home loans, 8, 10, 53, 66, 67, 68
Mobile homes, 43
Money market deposit accounts, 7, 25, 68
Money market mutual funds, 22, 45
More than $100,000 certificates, 25
Mortgage-backed securities, 10, 16, 19, 53, 65, 67
Mortgage bankers, 10-11, 16
Mortgage insurance, 9, 18, 32, 63-64, 66, 67
Mortgage loans, all lenders, 27-38
Mortgage loans, savings institution
adjustable rate, 10, 16, 19, 31, 68
alternative instruments, 9-10, 14, 67
average balance, 34
balloon, 9-10
closed, 9, 14, 35, 36, 38
commercial property, 28
construction, 38
conventional, 9, 19, 30, 31, 32
due-on-sale clauses, 67
farm, 28
fees, 9, 13, 31, 50
fixed rate, 16, 19, 31
foreclosures, 32

Mortgage loans, savings institution—*continued*
graduated payment, 9, 16
growing equity, 9
home purchase, 38
insurance. *See* Insurance
interest income, 13, 14, 50, 68
interest rates, 10, 14, 19, 30, 31, 64
loans in process, 54
multifamily, 28, 30, 38
number, 34
one- to four-family, 28, 29, 34, 38
other improved real estate, 38
outstanding, 9, 11, 28, 34, 35, 53, 54, 55
participations, 10, 16, 36, 37
percentage of assets, 9, 11, 53, 55
portfolio inflows, 9, 35, 37
prepayment penalty, 68
purchased, 33, 35, 36
purpose of loan, 38
refinanced, 38
repayments, 37
sold, 33, 37
sources of loanable funds, 9
terms, 31
turnover, 9, 14, 35
types, 9-10
Mortgage pools, 10, 16, 19, 33, 65
Mortgage warehousing, 56
Multifamily housing, 40, 41, 43, 44
Multifamily mortgage loans, 27, 28, 30, 38
Mutual capital certificates, 12
Mutual savings banks. *See* Savings institutions

National debt, 27
National Housing Act, 18, 66
Net worth
explained, 11, 12
regulations, 12, 18, 67, 68
return on, 52
total, 12, 53, 54, 55, 56
Net worth certificates, 12, 17, 67, 68
Nonmortgage loans, 10-11, 53, 55, 66, 67
Nonpersonal time deposits, 12
Notice accounts, 7
NOW accounts, 7, 25, 67

Offices, 52
One- to four-family housing, 40, 41, 42, 44
One- to four-family mortgage loans, 27, 28, 29, 34, 38
Operating expense, 13, 49, 50, 51
Operating loss carryovers, 14
Operations data, 13-14, 45-56
Ordinary accounts, 7
Over-the-counter savings, 23

Participations, mortgage loan, 10, 16, 36, 37
Passbook accounts, 7, 25
Pass-through securities, 10, 16-17, 19, 53, 65
Pension funds, 22, 45
Personal income, 21
Personal savings, 6, 21
Personnel, 53
Prepayment penalty, 68
Private mortgage insurance, 9, 10, 32
Profit margin, 52
Property improvement loans, 10, 53
Public housing, 39, 66

Real estate market, 41, 44
Real estate owned, 53, 54, 55
Real Estate Settlement Procedures Act, 65
Regular accounts, 7
Regulation of savings institutions, 5, 6-7, 11-13, 17, 68
Regulation Q and Home Mortgage Disclosure Act, 66
Repurchase agreements, 55
Reserves
  asset, 13, 67, 68
  bad debt, 13-14
  liability, 11-13, 53, 54, 55, 56, 68
  transaction account, 12, 67, 68
Residential construction, 8-9, 39-43
Residential financing, 8-11, 27-38. *See also* Mortgage loans, savings institution
Retail savings deposits, 26
Retained earnings. *See* Net worth
Retirement accounts, 8, 67, 68
Return
  on assets, 14, 52
  on equity, 52
  on investments. *See* Interest rates

Savings, 6-8, 21-26
  household, 22
  interest rates, 6-7, 23, 24, 68
  over-the-counter, 23
  personal, 6, 21
Savings account loans, 11, 53
Savings accounts, savings institution
  average balance, 24
  certificate, 7, 25, 53, 55
  children's savings, 8
  club, 8
  compared with other media, 22, 23
  deposits, 11, 23, 24, 25, 53, 54, 55, 56
  deregulation, 6, 7
  earnings-based, 7
  flows, 22, 26
  individual retirement, 8, 26, 67
Savings accounts, savings institution—*continued*
  insurance, 6, 17-18, 46-47, 60, 66, 67
  interest paid, 13, 49, 50, 51
  interest rate ceilings, 7, 68
  interest rates, 23, 24
  jumbo certificate, 25
  Keogh, 8, 67, 68
  loans on, 11, 53
  mix, 25
  money market deposit, 7, 25, 68
  nonpersonal time deposit, 12
  notice, 7
  NOW, 7, 25, 67
  number, 24
  ordinary, 7
  passbook, 7, 25
  percentage of liabilities, 6, 11, 53, 55
  receipts, 26
  regular, 7
  retail, 26
  retirement, 8, 67
  school savings, 8
  7-31 day certificate, 25
  super NOW, 25
  total, 23, 24, 25, 53, 54, 55, 56
  transaction, 7, 8, 25, 54, 67
  types, 7-8, 25
Savings institutions
  charters, 5, 15
  conversions, 5
  examinations, 5, 6, 15, 17
  FDIC membership, 6, 17-18, 47, 60
  federal, 5, 6, 18, 46, 66, 67
  FHLB membership, 15, 57
  FSLIC membership, 6, 17-18, 46, 47, 60
  function, 5, 11
  geographic distribution, 5, 48
  income, 14
  management, 68
  mutual, 6
  number, 45, 46, 47
  number of operating sites, 52
  operations, 13-14, 45-56
  organization, 5
  ownership, 6
  regulation and supervision, 5, 6-7, 11-13, 17, 68. *See also* Federal Home Loan Bank Board
  services, 7-8, 68
  state, 5, 6, 15, 18, 46
  state insuring funds, 6, 47
  stock, 6
  taxation, 13-14
School savings accounts, 8

Secondary mortgage market, 10, 16, 18-19, 36-37, 63, 65, 66
Secondary Mortgage Market Enhancement Act, 67
Second mortgages, 67
Securities
  corporate, 11, 23, 27, 30, 53
  government, 23, 27, 53
  savings institution, 11-12, 53, 54, 55
Service corporations, 53
Servicemen's Readjustment Act, 66
7-31 day certificates, 25
Single-family housing. *See* One- to four-family housing
Speculatively built housing, 41
State government obligations, 27
Statement of condition, 53, 55
Statement of operations, 49
Stocks and bonds, 11
Subordinated debentures, 12, 55, 66
Subsidized housing, 18-19, 39
Super NOW accounts, 25
Supervision of savings institutions, 5, 6-7, 11-12, 15, 17, 68
Supplemental Appropriations Act, 67
Surplus. *See* Net worth

Taxes
  personal, 21
  savings institution, 13-14, 49, 51, 67
Tax preference items, 14, 67
Tax Reform Act, 66
Transaction account reserves, 12, 67, 68
Transaction accounts, 7, 8, 25, 54, 67
Trust services, 8

Undivided profits. *See* Net worth
U.S. government obligations, 23, 55
Usury ceilings, 67
Utility bond interest rates, 30

Vacancy rates, housing, 44
Veterans Administration, 18, 32, 63, 66

Yields. *See* Interest rates